

# Annual Report



2011 | 2012

## VISION

Rights, choices and security for all British Columbians.

## MISSION

The Public Guardian and Trustee is appointed to safeguard and uphold the legal and financial interests of children; manage the legal, financial and personal care interests of adults needing assistance in decision making; and administer the estates of deceased and missing persons.

## VALUES

Seven major values underpin PGT work and are reflected in all aspects of PGT performance:

1. **Integrity:** We act in accordance with the highest ethical, legal and personal standards.
2. **Client Centred Service:** We constantly strive to provide quality customer service to our clients who are the focus of our services.
3. **Openness:** We demonstrate responsibility and transparency to clients, government and the public through annual statutory public reporting on all aspects of our performance.
4. **Respect:** We treat clients, family and friends in a courteous, respectful manner.
5. **Teamwork:** We work with one another and with service partners in striving for seamless service delivery.
6. **Staff Support:** We acknowledge staff as our greatest resource and recognize and appreciate their expertise, professionalism and commitment.
7. **Innovation:** We challenge ourselves to seek new and improved ways to deliver service and assist clients.

# Table of Contents

Transmittal to the Honourable Minister of Justice and Attorney General .....	2
Message from the Public Guardian and Trustee .....	3
<b>2011-2012 Performance Report .....</b>	<b>5</b>
Accountability Statement .....	7
Special Activities in 2011-2012 .....	12
Mandate, Mission, Vision and Values.....	14
Accountability Framework .....	15
Program Areas .....	15
Societal Trends and Other Factors Affecting the PGT in 2011-2012 .....	24
Context for 2011-2012 Performance Report .....	27
2011-2012 Performance Results.....	30
Linking Resources to Performance .....	45
<b>2011-2012 Financial Statements .....</b>	<b>53</b>
Operating Account.....	55
Estate and Trusts Administered .....	68



## Transmittal to the Minister of Justice and Attorney General

September 10, 2012

The Honourable Shirley Bond  
Minister of Justice and Attorney General  
Parliament Buildings  
Victoria, British Columbia  
V8V 1X4

Dear Minister of Justice and Attorney General:

I have the honour of delivering to you the Annual Report of the Public Guardian and Trustee of British Columbia in accordance with the provision of section 25 of the *Public Guardian and Trustee Act*.

This report covers the period April 1, 2011 to March 31, 2012.

Yours truly,

Catherine M. Romanko  
Public Guardian and Trustee





## Message from the Public Guardian and Trustee

This solid achievement demonstrates the commitment of PGT staff to serving clients and to ensuring that the PGT's statutory obligations are met.

I am pleased to present the Annual Report of the Public Guardian and Trustee of British Columbia (PGT) for the period of April 1, 2011 to March 31, 2012. This year, the PGT served approximately 31,600 clients and managed approximately \$914 million of client assets. The determination to provide quality client service is what motivates every PGT staff member. PGT client service embraces a broad range of activities from managing the often complex legal, social and financial matters of an individual client's affairs to advocating for law reform which may further the interests of all PGT clients. It includes improving and streamlining business processes and building information and technology systems capacity so that services may be delivered in a timely and efficient manner. Client service also involves contributing to public awareness about issues such as financial abuse of older adults or options for incapacity and estate planning, and providing the public with information about the work carried out by the PGT under more than 20 provincial statutes.

This broad mix of client service activities underlies the organizational goals set out in the PGT's annual Service Delivery Plan. That plan establishes a performance goal with measurable targets for each program area within the PGT's core business. I am pleased to report that in 2011-2012, the PGT once again met or exceeded all 23 of its performance targets, an accomplishment that has been confirmed by independent auditors. This solid achievement demonstrates the commitment of PGT staff to serving clients and to ensuring that the PGT's statutory obligations are met.

In addition to focusing on core responsibilities to clients, the PGT worked together throughout the year with a number of service and community partners on issues affecting the interests of our mutual clients. Several of those key initiatives related to enhancing services to children and youth in care of the province for whom the PGT is Guardian of Estate. To this end, the PGT produced new information materials for youth in care and collaborated on the development of *First Nations Financial Fitness*, a financial literacy handbook for Aboriginal and other youth. The PGT worked with the Ministry of Children and Family Development to improve their processes for reporting critical incidents affecting children in care to the PGT and released its third annual *Child and Youth Guardianship Services Report* describing services provided by the PGT to children and youth in care including details concerning the number and nature of critical incidents.

In order to make it easier for qualifying PGT child and youth clients to benefit from holding Registered Disability Savings Plans, the PGT made recommendations to the Department of Finance Canada regarding ways to improve accessibility to the savings plans and as well, worked with a provincial task force to increase the rate of use of Registered Disability Savings Plans by eligible British Columbians. I am pleased to note that the federal budget for 2012 announced changes to be made to the Registered Disability Savings Plan legislation which reflect recommendations made by the PGT.

The prevention of and response to financial abuse of vulnerable adults was another focus for key initiatives this year. Together with representatives from the Ministries of Health and Justice, the PGT played a role in leading the development of a provincial Elder Abuse Prevention Strategy and participated in a Ministerial Roundtable discussion on Elder Abuse led by the federal Minister of State (Seniors). The PGT also collaborated provincially with various financial institutions and on the national level with the Canadian Bankers Association to enhance processes for reporting concerns of financial abuse of vulnerable adults.

As in past years, this year the PGT continued its ongoing participation in law reform initiatives with respect to laws which affect the lives and interests of PGT clients. The PGT consulted with representatives of the Ministry of Justice on provisions of the new *Family Law Act* which will come into force in March 2013, as well as on the as yet unproclaimed *Limitation Act, Wills, Estates and Succession Act* and related Court Rules. In addition, the PGT participated in law reform projects led by the British Columbia Law Institute relating to the legal concept of undue influence and legal tests of mental capacity.

The highlight of the PGT's law reform activity in 2011-2012 was the implementation of new law arising from proclamation of the personal incapacity planning provisions of the *Adult Guardianship and Planning Statutes Amendment Act, 2007* (Bill 29) as it impacted PGT roles and duties. PGT staff contributed extensively to the development of the new law over many years. To see these diligent law reform efforts result in new law for British Columbia was encouraging.

I remain hopeful that as the fiscal climate improves in British Columbia, government remains committed to modernizing the legislative framework for adult guardianship by finally bringing into force the still unproclaimed court and statutory guardianship sections of Bill 29. Proclamation would see the repeal and replacement of the archaic *Patients Property Act* with a more modern legal scheme for adult guardianship.

The PGT's accomplishments in 2011-2012 were the result of hardworking and dedicated staff supported by expert advice of the PGT's external Audit Advisory and Investment Advisory Committee members, and contributions of the PGT's many external professional and community service providers, partners and stakeholders. It is a privilege to work within this community of individuals who share an interest in giving effect to the PGT's vision of *Rights, choices and security for all British Columbians*.

I look forward to meeting the challenges and opportunities that the coming year will bring to provide PGT clients with the best service possible.

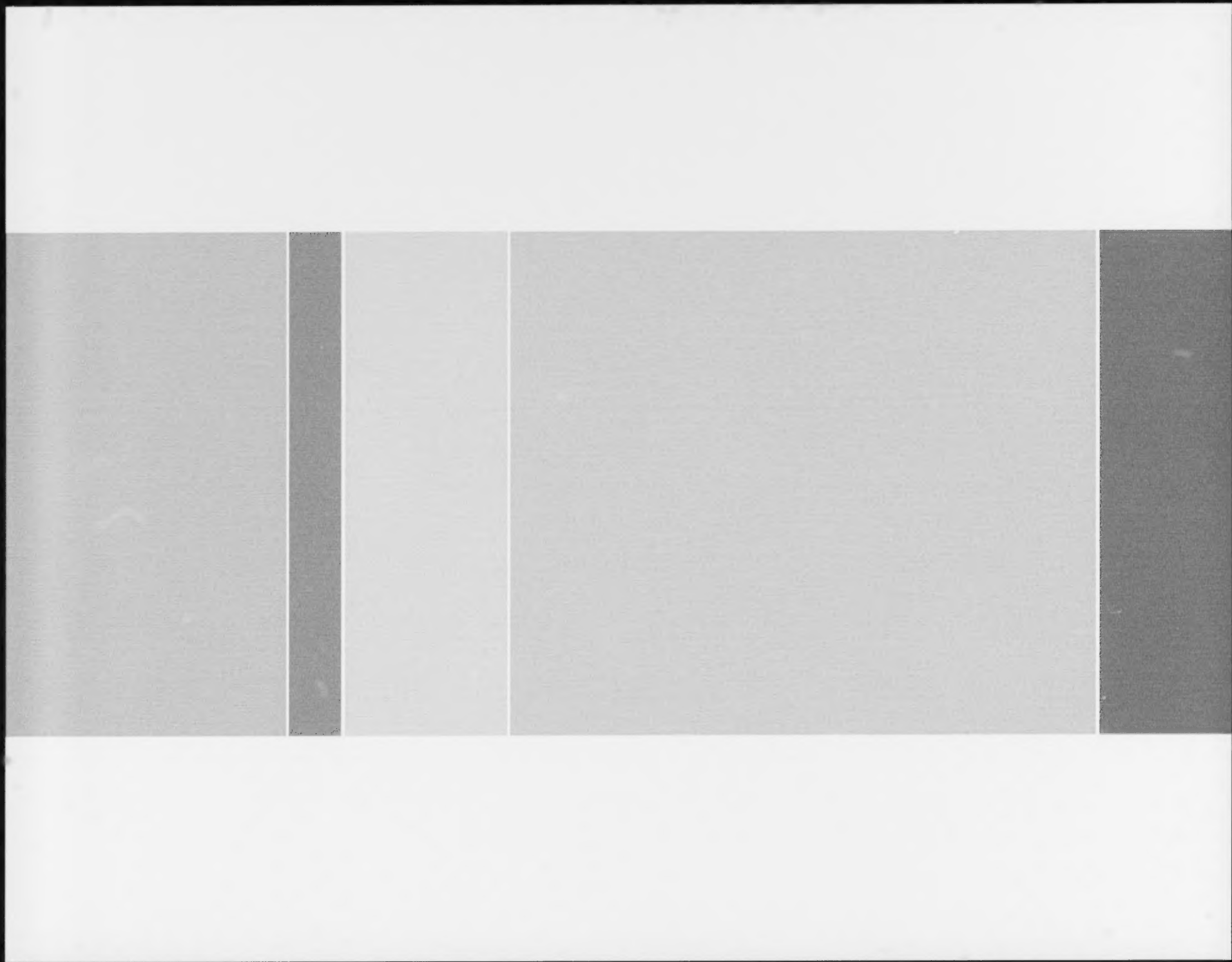
Catherine M. Romanko  
Public Guardian and Trustee



# Performance Report 2011-2012



PUBLIC GUARDIAN  
AND TRUSTEE OF  
BRITISH COLUMBIA



## Accountability Statement

The 2011-2012 Performance Report was prepared under my direction. I am accountable for the results achieved, the selection of performance measures, and how actual performance has been reported. The information presented reflects the actual performance of the Public Guardian and Trustee for the twelve months ended March 31, 2012. The report addresses all significant events that occurred, and decisions made, up to September 10, 2012.

The information presented represents a comprehensive picture of our actual performance in relation to our Service Delivery Plan. The report contains estimates and significant interpretive information that represents the best judgment of management.

The measures presented are consistent with the organization's mission, goals and objectives, and focus on aspects critical to understanding our performance. I am responsible for the design and operation of internal controls to ensure performance information is measured accurately and in a timely manner. Any significant limitations in the reliability of specific data are identified in the report.

The report is intended for a general audience. Specific users may require more detailed information than is contained in this report. The report has been prepared in accordance with the *Public Guardian and Trustee Act* and British Columbia Performance Reporting Principles.

Catherine M. Romanko  
Public Guardian and Trustee

September 10, 2012





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## Auditors' Report on the 2011-2012 Performance Report of the Public Guardian and Trustee of British Columbia

### To:

**The Public Guardian and Trustee of British Columbia,  
The Minister of Justice and Attorney General, Province of British Columbia, and  
The Members of the Legislative Assembly of British Columbia**

We have audited the accompanying 2011/2012 Performance Report (Performance Report) of the Public Guardian and Trustee of British Columbia (PGT) for the year ended March 31, 2012 based on the requirements of subsections 25 (1), 25 (2), 25 (3) (c), 25 (3) (d) and 26 (1) (b) of the *Public Guardian and Trustee Act* (PGT Act) and on the Performance Reporting Principles For the British Columbia Public Sector (BC Performance Reporting Principles) (collectively referred to herein as the Criteria). The Performance Report and its fair presentation in conformance with the Criteria are the responsibility of the PGT. Our responsibility is to express an opinion, based on our audit, on the fair presentation of the Performance Report in conformance with the Criteria.

We conducted our audit in accordance with the standards for assurance engagements established by the Canadian Institute of Chartered Accountants. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the Performance Report is fairly presented in conformance, in all material respects, with the Criteria. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the Performance Report, evaluating the fair presentation of the Performance Report in conformance with the Criteria, and performing such other procedures as we considered necessary in the circumstances.

The Performance Report necessarily contains a number of representations by the PGT concerning the appropriateness of the PGT's goals, objectives, targets, explanations of the adequacy of planned and actual performance, and expectations for the future. These are provided to provide context to assist the reader in evaluating the plans and performance of the PGT. Such representations are the opinions of the PGT and, given their necessarily subjective nature and

also the future orientation of some of the representations, such representations inherently cannot be subject to independent audit verification. Further, as described in Section G of the Performance Report, the tables and related information in Section G of the Performance Report are derived using an allocation model developed to reflect approximate usage of key services and other segmentation methodologies that are beyond the scope of this audit; accordingly, with respect to the tables and related information in Section G of the Performance Report, our audit was limited to providing reasonable assurance that the Performance Report is consistent with the audited financial statements contained in the PGT's 2011/2012 Annual Report.

In our opinion, except for the effect of adjustments, if any, which we may have determined to be necessary had we been able to independently verify the representations described in the paragraph above and had we performed a more extensive examination of the tables and related information in Section G of the Performance Report as referred to in the paragraph above, the PGT's Performance Report for the year ended March 31, 2012 is fairly stated in conformance, in all material respects, with the Criteria.

The attached Appendix to this report provides further explanation regarding the fair presentation of the Performance Report in conformance with the Criteria.

*KPMG LLP*

Chartered Accountants

Vancouver, Canada  
September 10, 2012

## Appendix to the Auditors' Report on the 2011-2012 Performance Report of the Public Guardian and Trustee of British Columbia

This Appendix summarizes and explains selected key aspects of how the Performance Report is fairly presented in conformance, in all material respects, with the requirements of subsections 25 (1), 25 (2), 25 (3) (c), 25 (3) (d) and 26 (1) (b) of the *PGT Act* and with the BC Performance Reporting Principles (collectively referred to herein as the Criteria).

### **BC Performance Reporting Principle 1 – Explain the Public Purpose Served**

The Performance Report identifies and explains the PGT's mandate, enabling legislation, mission, vision, and organizational structure. Core program areas, services, clients, and stakeholders are described, as is the role of service partners. The PGT's role and relation to the courts and the Crown are explained. The Performance Report describes the PGT's seven major values and how they guide and are embedded in the PGT's operations.

### **BC Performance Reporting Principle 2 – Link Goals and Results**

The Performance Report identifies and explains the PGT's mandate and vision, its service delivery plan including its mission, the goals it has identified in support of its mission and vision, the related more detailed objectives and performance measures, and its actual results, providing linkages and a logical flow between them. The relevance and relation to long-term outcomes are identified and explained for key performance measures and results. Variances between planned and actual results are identified and explained. The impact of results on the PGT's future direction is also identified and explained where relevant.

### **BC Performance Reporting Principle 3 – Focus on the Few Critical Aspects of Performance**

The PGT's April 1, 2011 – March 31, 2014 Service Delivery Plan identifies the PGT's five goals related to the three aspects of its mission, one to six specific objectives related to each goal, and related specific performance measures. Except for two performance measures that were planned but not implemented (as explained in the Performance Report, one of these performance measures was dependent on proclamation of legislation, and the other was dependent

upon receipt of funding for a replacement trust accounting system, neither of which occurred during the year), the Performance Report repeats this information from the Service Delivery Plan, and provides in a clear, concise format the PGT's actual results for each performance measure, and the meaning and importance of each performance measure and result. The Performance Report also provides related contextual information regarding factors influencing the selection of goals, objectives, and performance measures, and factors influencing the actual results.

### **BC Performance Reporting Principle 4 – Relate Results to Risk and Capacity**

The Performance Report summarizes management's approach to risk, including risk identification and assessment, consideration of potential impacts of risks on achievement of PGT goals, and consideration of risk tolerance, resource constraints, and mitigation strategies. It summarizes management's view of the significant risks faced by the PGT, related potential causes including capacity issues, and current and possible risk mitigation strategies for dealing with the risks. Current capacity is described in relation to current results and to the PGT's ability to deliver on its organizational goals and objectives.

### **BC Performance Reporting Principle 5 – Link Resources, Strategies and Results**

The Performance Report identifies the major sources, nature, and amounts of the PGT's funding, provides budgeted and actual revenues and expenses by program area and for the PGT as a whole, and explains key variances between budgeted and actual revenues and expenses for the PGT as a whole. Year over year comparative financial information is provided in the audited financial statements included in the PGT's Annual Report. The Performance Report identifies, for each program area and for the PGT as a whole, the

total staff, number of clients, and financial indicators including revenue, expenses, and assets under administration. The Performance Report identifies trends and issues impacting results, revenues, and expenses, and also describes how resources, strategies, and results are linked, including linking areas of expenditure with its goals that are most directly affected by the expenditures. The Performance Report links financial and performance information in a way that should help readers understand the efficiency and economy of the PGT's operations.

#### **BC Performance Reporting Principle 6 – Provide Comparative Information**

For each identified specific performance measure linked to the PGT's goals, when applicable, the Performance Report provides clear comparisons between planned results, actual results, and previous years' results, as well as targeted results for the following year. When relevant and material, explanations are provided of changes in the nature, source data, and/or calculation of the performance measures. Year over year comparative financial information is provided in the audited financial statements included in the PGT's Annual Report. The Performance Report identifies trends and issues impacting results, revenues, and expenses. The Performance Report also explains the reasons for the lack of provision in the Performance Report of comparative information to similar organizations.

#### **The PGT Act, and BC Performance Reporting Principle 7 – Present Credible Information, Fairly Interpreted**

The Performance Report has been made by the PGT to the Minister of Justice and Attorney General, Province of British Columbia, by September 30, 2012 as required by the statutory reporting requirements and deadline specified in subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act*.

Our related auditors' report is provided as required by section 26 (1) (b) of the *PGT Act*. Subject to the limitations described in our auditors' report, our opinion relates to the credibility of the information in the Performance Report, including its fair presentation in conformance, in all material respects, with the Criteria based on the best judgement of the PGT.

#### **BC Performance Reporting Principle 8 – Disclose the Basis for Key Reporting Judgements**

The Performance Report explains the basis for selecting the aspects of performance on which it focuses and the rationale for the performance measures reported on. The Performance Report also provides concise explanations of how most performance measures are derived including, where relevant, data sources and the period covered. The process for selecting goals, objectives, and targeted results for performance measures, and how it is evolving, is described. Any significant changes in the way performance is measured or presented are described. The PGT provides an accountability statement describing their accountability for the Performance Report, and representing (among other things) that: the Performance Report has been prepared in accordance with the *PGT Act* and the BC Performance Reporting Principles; that it contains estimates and significant interpretive information that represents the best judgement of management; that the measures presented are consistent with the organization's mission, goals and objectives, and focus on aspects critical to understanding the organization's performance; and that it reflects the actual performance of the PGT for the twelve months ended March 31, 2012.

## Special Activities in 2011-2012

The focus of the Public Guardian and Trustee (PGT) is on serving clients by carrying out statutory duties. This requires undertaking a range of activities to respond to new legal requirements, changes in technology, service partner needs, evolving accountability and other standards, demographic change, increased demand for services and cost pressures. In 2011-2012, the PGT participated in the following special activities:

### Direct Service

- Continued to represent the interests of PGT clients in a number of class action legal proceedings including the Woodlands School, Indian Residential Schools, tainted blood and payday loan actions while also centralizing the coordination and management of class action activities.
- Implemented changes arising from proclamation of the personal incapacity planning provisions of the *Adult Guardianship and Planning Statutes Amendment Act* as they impacted PGT roles and responsibilities.
- Filed 234 probate applications with the Supreme Court of British Columbia for estates of deceased persons.
- Distributed over \$24 million in funds of deceased estates to heirs and beneficiaries.
- Sold 135 real properties on behalf of clients, an increase of 15% from the previous year.
- Developed new information materials for youth in care who are PGT Guardian of Estate clients.
- Produced a Facilitator's Guide and Youth Workbook to accompany the widely used financial literacy publication, *Dollars & Sense*.
- Released the third annual *Child and Youth Guardianship Services Report* describing PGT services to children in continuing care.

- Implemented a new form to facilitate Ministry of Children and Family Development (MCFD) and Delegated Child and Family Service Agencies (DAAs) staff in making reports to the PGT for minor injuries to children in care.
- Conducted business process reviews in several key service areas such as regional office administration, Estate Liaison, Private Committee Services, Assessment and Investigation Services, Health Care Decisions and Investments.
- Initiated, on a trial basis, the use of a client purchasing card to expedite urgent purchases for adult clients.
- Piloted an expedited process for authorizing and providing temporary substitute decision making for adult clients in need of flu shots.

### Service Partners

- Participated in BC Law Institute projects to develop a guide for wills practitioners relating to potential undue influence and also to consider reforms to the common law for mental capacity to carry out a transaction or enter into a relationship.

- Developed *First Nations Financial Fitness*, a handbook for Aboriginal youth and adults, in partnership with the Aboriginal Financial Officers Association of BC, Van City, Urban Native Youth Association, Aboriginal Affairs and Northern Development Canada, Vancouver Aboriginal Child and Family Services Society, First Nations Technology Council and MCFD.
- Worked jointly with MCFD to develop a process that will include the PGT in both the delegation and redelegation process for DAAs.
- Participated in various conferences and outreach events for Aboriginal and non Aboriginal youth such as the Gathering Our Aboriginal Youth Voices conference in Nanaimo.
- Established relationships with multiple financial institutions to enhance the reporting of concerns of financial abuse of vulnerable adults.
- Participated in the Ministry of Health's Elder Abuse Prevention Initiative regarding internal and external stakeholder consultations.
- Further developed relationships with Community Living BC (CLBC) to address issues such as standards for assisting vulnerable adults with their finances, data matching and enhanced reporting of critical incidents.



- Collaborated with the BC Centre for Elder Advocacy and Support, the BC Association of Community Response Networks, the Simon Fraser University Gerontology Research Centre and the National Initiative for the Care of the Elderly to offer a one day conference focused on financial abuse of vulnerable adults.
- Developed an improved process with BC Hydro to facilitate client billing requests and establishing of new BC Hydro client accounts.

### Capacity Building

- Implemented a new business planning process to assist the PGT to manage within capacity.
- Continued to participate in law reform consultations in conjunction with the Ministry of Justice on various law reform initiatives including the new *Family Law Act*, the new *Wills Estates and Succession Act* and related court rules, and proposed *Limitation Act* amendments.
- Designed data matching reports to enable the PGT to more quickly respond to class action claims on behalf of clients.
- Further developed systems for performance measurement reporting.
- Enhanced data security in file transmission processes with trusted third party partners.
- Participated in a review of PGT corporate services conducted by the provincial government.

- Enhanced employee engagement through increased internal communications such as town hall style meetings, team building activities and supporting a range of health and wellness activities.
- Continued to offer training related to vicarious trauma to front line staff.
- Established a Corporate Training Committee to coordinate and promote corporate training for PGT staff.
- Augmented internal controls as part of a continuous improvement program, specifically in relation to physical key management and payment authority of PGT client disbursements.
- Updated current and emerging risks as part of the overall Enterprise Risk Management Framework for the PGT.
- Conducted a review of the PGT internal audit function to improve effectiveness.

### Interjurisdictional

- Led National Association of Public Trustees and Guardians (NAPTG) in developing recommendations to the Department of Finance Canada three year Registered Disability Savings Plan (RDSP) review and made an independent Public Guardian and Trustee of British Columbia submission to the same review, with respect to the accessibility of RDSPs.
- Continued to participate in NAPTG working groups and other activities addressing issues affecting the interests of PGT clients.
- Contributed with the Ministry of Social Development, CLBC and MCFD to a special report issued by the Planning Lifetime Advocacy Network regarding youth with special needs leaving provincial care.
- Worked with a provincial RDSP task force on improving the use of RDSPs in BC.
- Discussed issues of elder abuse at the Ministerial Roundtable on Elder Abuse with the Minister of State for Seniors.
- Liaised with the Banking Sub Committee of NAPTG and the Canadian Bankers Association to enhance working relationships regarding response to possible financial abuse and neglect of vulnerable adults.
- Participated on a National Advisory Committee established by the Canadian Council of Child Advocates on a project related to youth leaving care.

## A. Mandate, Mission, Vision and Values

### Mandate

The PGT mandate is to serve:

- Children and youth under the age of 19 by protecting their legal and financial interests;
- Adults who require assistance in decision making through protection of their legal rights, financial interests, personal and health care interests; and
- Deceased persons where there is no one willing or able to administer their estates, the estates of missing persons and the beneficiaries of personal trusts.

During 2011-2012, the PGT provided services through 249 employee positions to approximately 31,600 clients and administered approximately \$914 million of trust assets. When managing the financial affairs of an individual, estate, or trust, the PGT observes prudent business practices and is bound by both common law and statutory fiduciary principles associated with a trustee or an agent.

The PGT exercises quasi judicial authority in specific situations as a result of obligations created by statutory law. In addition, the PGT provides the court with reliable independent submissions when the property or financial interests of minors, vulnerable adults or estates are at risk.

The PGT self funds a large percentage (currently 67.2%) of its actual expenditures through fees and commissions charged on client income and assets.

The PGT has a fiduciary duty to advance the private interests of its clients even if they are contrary to the interests of government. It is independent of government in its case related decision making responsibilities.

### Mission

The PGT mission is to safeguard and uphold the legal and financial interests of children; manage the legal, financial and personal care interests of adults needing assistance in decision making; and administer the estates of deceased and missing persons.

### Vision

The PGT vision is "Rights, choices and security for all British Columbians".

### Statutes

#### Numerous acts set out the powers and duties of the PGT. Key provincial statutes include:

- *Adult Guardianship Act*
- *Child, Family and Community Service Act*
- *Community Care and Assisted Living Act*
- *Cremation, Interment and Funeral Services Act*
- *Employment Standards Act*
- *Estate Administration Act*
- *Estates of Missing Persons Act*
- *Family Relations Act*
- *Health Care (Consent) and Care Facility (Admission) Act*
- *Infants Act*
- *Insurance Act*
- *Insurance (Vehicle) Act*
- *Patients Property Act*
- *Power of Attorney Act*
- *Public Guardian and Trustee Act*
- *Representation Agreement Act*
- *Trust and Settlement Variation Act*
- *Trustee Act*
- *Wills Act*
- *Wills Variation Act*

### PGT Values

1. **Integrity:** We act in accordance with the highest ethical, legal and personal standards.
2. **Client Centred Service:** We constantly strive to provide quality customer service to our clients who are the focus of our services.
3. **Openness:** We demonstrate responsibility and transparency to clients, government and the public through annual statutory public reporting on all aspects of our performance.
4. **Respect:** We treat clients, family and friends in a courteous, respectful manner.
5. **Teamwork:** We work with one another and with service partners in striving for seamless service delivery.
6. **Staff Support:** We acknowledge staff as our greatest resource and recognize and appreciate their expertise, professionalism and commitment.
7. **Innovation:** We challenge ourselves to seek new and improved ways to deliver service and assist clients.

## B. Accountability Framework

The PGT is a corporation sole established under the *Public Guardian and Trustee Act*.

Catherine M. Romanko was appointed as the Public Guardian and Trustee for a six year term effective October 10, 2011. The PGT can serve a maximum of two terms.

The PGT is accountable to the provincial government, the Legislature, the public and directly to PGT clients. Overall accountability is exercised through the government's review and approval of the PGT service delivery plan, public reporting on performance, and through annual independent performance and financial audits.

Accountability to PGT clients is exercised through internal review processes, the Ombudsperson and judicial oversight of PGT statutory and fiduciary obligations. Many PGT functions are fiduciary in nature and judicial oversight mechanisms are highly developed.

Two advisory committees assist the PGT. The *Investment Advisory Committee* is a statutory committee established under the *Public Guardian and Trustee Act* to advise on strategic investment policy. The *Audit Advisory Committee* is established by the PGT to advise on key aspects of internal and external audit, accountability and internal controls.



The PGT is a corporation sole. This is a corporate legal structure in which all authority and responsibility is vested in a single office holder who may delegate authority and who operates without a board of directors. This structure is used primarily in situations requiring clear accountability and is a common model for Public Guardians and Trustees in Canada.

## Prospective Performance Planning

Section 22 of the *Public Guardian and Trustee Act* requires the PGT to prepare an annual three year Service Delivery Plan (SDP) and deliver it to the Minister of Justice and Attorney General not later than December 31 for the upcoming three fiscal years starting the following April 1. If approved by the Minister of Justice and Attorney General, the plan must be submitted to the provincial Treasury Board for approval. The Act specifies content of the SDP.

## Retrospective Performance Reporting

Section 25 of the *Public Guardian and Trustee Act* requires the PGT to report to the Minister of Justice and Attorney General in each fiscal year on operations of the office for the preceding fiscal year. This annual report must be submitted to the Minister of Justice and Attorney General by September 30, and thereafter tabled in the Legislative Assembly. The Act stipulates that the annual report must include an audited performance report relating to the performance targets and other objectives established in the SDP, together with audited financial statements for both PGT operations and its stewardship of client estates and trusts under administration.

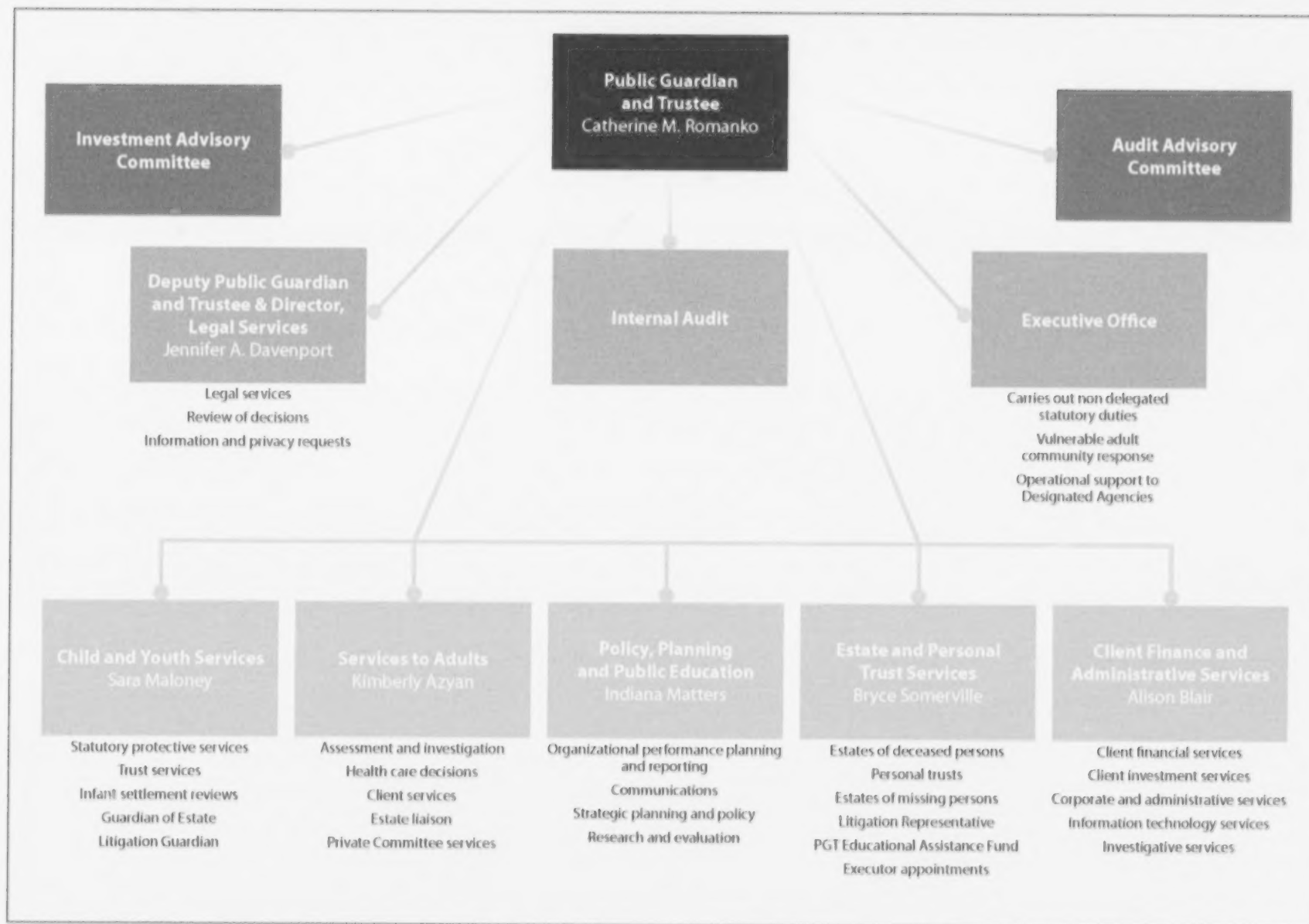
The statutory requirement for annual independent audits of both the PGT performance report and the two PGT financial statements is unique among BC public bodies.



## C. Program Areas

The PGT serves clients primarily through three broad program areas: Child and Youth Services; Services to Adults; and Estate and Personal Trust Services. These are supported by Client Finance and Administrative Services; Legal Services; and Policy, Planning and Public Education. The Executive Office provides overall direction, coordination and consultation with Public Guardians and Trustees in other jurisdictions. It also provides coordination of Vulnerable Adult Community Response and non delegated statutory duties such as approval of infant settlement reviews, the most serious substitute health care decisions and major trust disbursements. An Internal Audit Unit provides internal audit services.

**PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA ORGANIZATIONAL CHART** (as at March 31, 2012)





## PGT STAKEHOLDERS AND SERVICE PARTNERS

PGT Primary Client Groups	Key PGT External Relationships	Key PGT Private Sector Relationships
<p>Almost all PGT clients are vulnerable due to legal status or other incapacity arising from diseases of aging, mental illness, brain injury, special needs, or minority. Clients include:</p>	<p>Clients are at the core of all PGT activity. The PGT liaises with and/or works in partnership with a broad range of individuals and organizations in helping clients meet their needs. These include:</p>	<p>The PGT works with a wide range of private sector service providers in meeting its responsibilities for protecting the personal, legal and financial interests of clients. These include:</p>
<ul style="list-style-type: none"> <li>• Children in continuing care of the province</li> <li>• Children with trust funds</li> <li>• Children whose guardians wish to settle a claim for damages on behalf of the child</li> <li>• Seniors who require assistance with decision making</li> <li>• Adults with serious mental disorders or mental illness</li> <li>• Incapable adults without family who require health care decisions</li> <li>• Adults with developmental disabilities</li> <li>• Adults with acquired brain injuries</li> <li>• Adults experiencing abuse, neglect or self neglect</li> <li>• Heirs and beneficiaries of estates of deceased or missing persons</li> <li>• Beneficiaries of personal trusts</li> </ul>	<ul style="list-style-type: none"> <li>• Family and friends of clients</li> <li>• Community groups</li> <li>• First Nations</li> <li>• Insurance Corporation of BC (ICBC)</li> <li>• BC Unclaimed Property Society</li> <li>• Public service partners with statutory authority, e.g., Community Living BC (CLBC), Representative for Children and Youth, Assisted Living Registrar, Health Authorities, Delegated Aboriginal Child and Family Service Agencies, Designated Agencies and BC Coroners Service</li> <li>• Provincial government ministries, e.g., Children and Family Development, Social Development, Health and Justice</li> <li>• Court of Appeal, Supreme Court and Provincial Court of British Columbia</li> <li>• Law Society of British Columbia</li> <li>• Canadian Bar Association (BC Branch), Government of Canada, e.g., Aboriginal Affairs and Northern Development Canada, Canada Revenue Agency, Veterans Affairs Canada</li> <li>• BC Investment Management Corporation (bcIMC)</li> </ul>	<ul style="list-style-type: none"> <li>• Private service providers, e.g., care facilities, funeral homes, personal attendants</li> <li>• Personal service providers</li> <li>• Financial institutions, e.g., banking, investment services, private investment managers</li> <li>• Medical and social services professionals</li> <li>• Lawyers</li> <li>• Accountants</li> <li>• Insurance providers</li> <li>• Real property managers</li> <li>• Heir tracers</li> </ul>



## 1. Child and Youth Services

The PGT protects the legal and financial interests of minors under the authority of a range of provincial statutes. The PGT Child and Youth Services division (CYS) works on behalf of and directly with minor children and youth as well as with their parents or guardians.

Some statutes direct the PGT to carry out a protective review function to ensure that a minor's legal and property interests are protected, whereas other statutes authorize the PGT to act directly on behalf of a minor in the role of Guardian of Estate, Litigation Guardian or Trustee.

In 2011–2012, in addition to maintaining service levels, CYS collaborated with external partners to develop new financial literacy materials for children and youth. As well, CYS worked on behalf of its clients to improve processes for administering RDSPs.



CYS has three primary business lines.

### a. Guardian of Estate

As Guardian of Estate, the PGT is coguardian with the Ministry of Children and Family Development (MCFD) and Delegated Aboriginal Child and Family Service Agencies (DAAs) for children in continuing care of the province. The PGT is also Guardian of Estate for children who have no legal guardian or are undergoing adoption.

As Guardian of Estate, the PGT advances legal claims for damages arising from injuries suffered by children in care. The PGT also pursues financial benefits to which PGT Guardian of Estate clients are entitled such as Canada Pension Plan Children's Benefits and Registered Disability Savings Plans.

### b. Trustee

The PGT receives trust funds on behalf of minor children, including personal injury settlement proceeds, life insurance proceeds where a minor is beneficiary and no trustee is named to administer the funds, shares of estates where no trustee is named and a portion of wages earned by child entertainers. Funds are typically held in trust until the child turns 19 (the age of majority in BC) unless disbursed earlier for the benefit of the child.

### c. Protective Legal Reviews

The PGT protects the legal interests of minors by reviewing proposed settlements of claims for unliquidated damages brought on their behalf. The settlements relate to a variety of claims such as those arising from medical malpractice, motor vehicle accidents and/or the wrongful death of a parent or guardian. These reviews ensure that the settlements are reasonable and in the best interests of the minors.

To protect the property interests of minors in trusts and estates, the PGT also reviews notices of applications to administer an estate of a deceased person or to vary a trust or a will wherever a minor is a beneficiary or may be entitled to a share in the estate or trust. Where the PGT has reason to believe that a minor's interest in a trust is at risk, the PGT will investigate the circumstances around the trust on behalf of the minor.

Child and Youth Services	
<b>Total Staff:</b>	<b>46.5 positions</b>
<b>Total Clients:</b>	<b>20,258*</b>
• Guardian of Estate	6,157
• Trustee	11,448
• Protective Legal Reviews	3,914
• Litigation Guardian (non Guardian of Estate)	85
<b>Total value of assets under administration (at March 31, 2012):</b>	<b>\$184 million</b>
• Investments and Securities	\$178 million
• Real Property	\$6 million
• Other	\$5 million

\*Client counts reflect the number of individual clients served by both the division and by major business lines throughout the year. Because of this, the division total is typically less than the sum of the business lines as clients may require service in more than one business line.

## 2. Services to Adults

The PGT protects the legal rights and personal and financial interests of adults who are unable to manage their affairs independently and who require substitute decision making. The majority of adult clients rely on PGT financial and legal management or review of decisions made by others. The PGT also exercises personal care decision making for a small number of adults and makes substitute health care decisions on behalf of others.

The PGT Services to Adults division (STA) acts for adult clients when other appropriate substitute decision makers are not available. Most adult clients have diseases of aging that have impaired their mental capability, while others have mental illnesses, developmental disabilities or brain injuries.

The PGT provides both direct and review services and strives to balance client independence and the right of self determination with the need for protection.

The trend continues for adult clients to come to the PGT for shorter periods later in life. Clients may have complex assets or debts that the PGT must manage and in an increasing number of cases, these assets are located outside of British Columbia.

During 2011–2012, in addition to maintaining services, STA implemented the personal incapacity planning provisions of the *Adult Guardianship and Planning Statutes Amendment Act*, 2007. STA also redesigned and enhanced business processes in several service areas as part of the continuous improvement commitment.

STA has five primary business lines.

#### a. Assessment and Investigation

The first contact the PGT has with most adult clients results from staff responding to reports from concerned friends, relatives or professionals to assess whether PGT services are required. This includes investigating reports of financial abuse of adults who may be incapable and consulting with community and family members on possible abuse, neglect and self neglect issues.

#### b. Health Care Decisions

Under the *Health Care (Consent) and Care Facility (Admission) Act*, health care professionals must obtain informed consent before treating a patient. A substitute decision maker is generally needed if patients are mentally incapable of making their own treatment decisions. In the absence of an existing substitute decision maker such as a Committee of Person or a Representative under a Representation Agreement, the Act allows the closest qualified relative or close friend to make decisions. When these qualified individuals are not available or where there is dispute regarding who to select among equally ranked individuals, the PGT is called upon to appoint another substitute decision maker or to make substitute treatment decisions itself.

#### c. Client Services

During 2011–2012, the PGT provided a range of financial and personal care management services for adults in vulnerable situations. It acted under a number of different roles including Committee of Estate, Committee of Person, Power of Attorney, Representative, Litigation Guardian and Pension Trustee.

When the PGT is appointed as Committee of Estate, staff work with the client to establish an effective plan that includes securing assets and pursuing income, benefits and compensation, paying bills, administering investments and managing property. When appointed as Committee of Person, the PGT makes health and personal care decisions on behalf of these adults.

#### d. Estate Liaison

Estate Liaison coordinates completion of STA involvement in a client's affairs and releases property under PGT administration when services from STA are no longer required. Client affairs are transferred to Estate Liaison when the PGT no longer has authority for an adult client

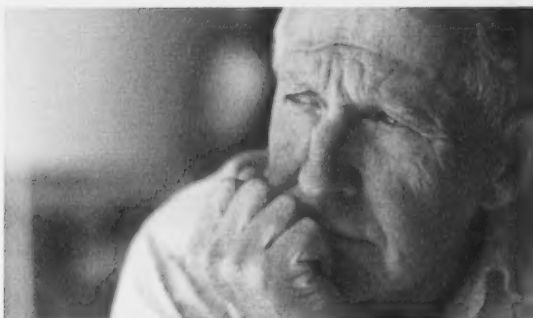
because the individual has become capable of managing their own affairs, someone else has been appointed as Committee or because the client has died.

#### e. Private Committee Services

Committees are appointed by the court to manage the financial and/or legal or personal interests of an incapable adult. Private Committees are often family or friends of the adult. Where the committee is not the PGT, the PGT conducts financial and other reviews of the actions of the Private Committee to assess whether the adult's interests are being protected.

Services to Adults	
<b>Total staff:</b>	<b>95 positions</b>
<b>Total clients:</b>	<b>9,484*</b>
• Assessment and Investigation	2,412
• Client Services	4,458 clients
• Health Care Decisions	614
• Estate Liaison	1,217 clients
• Private Committee Services	2,198
• Adult legal monitoring	1,079
<b>Total value of assets under administration (at March 31, 2012):</b>	<b>\$538 million</b>
• Investments and securities	\$378 million
• Real property	\$147 million
• Other	\$13 million

\*Client counts reflect the number of individual clients served by both the division and by major business lines throughout the year. Because of this, the divisional total is typically less than the sum of the business lines as clients may require service in more than one business line.



### 3. Estate and Personal Trust Services

The PGT provides estate administration and personal trust services through the Estate and Personal Trust Services division (EPTS). In 2011-2012, in addition to maintaining service levels, EPTS focused on improving internal work processes and enhancing internal controls and the security of client assets.

EPTS has six primary business lines.

#### a. Administration of Estates of Deceased Persons

As Official Administrator for British Columbia, the PGT administers the estates of persons who have died and no one is willing and/or able to administer their estates or where the heirs or the executors cannot be located. The PGT also administers estates of deceased persons where the heir is a client under authority in another PGT division such as Services to Adults or as a child or youth for whom the PGT is Guardian of Estate. In addition, the PGT acts as Executor when appointed under a will.

Where the estate is of minimal value and no next of kin can be found who are willing and/or able to undertake the arrangements, EPTS ensures that a referral is made to the Ministry of Social Development to provide for a respectful funeral at public expense.

#### b. Personal Trusts

The PGT acts as trustee for personal trusts created either by will, court order, or inter vivos settlement. Where options to appoint a family member or trust company are not appropriate, the PGT may agree to act as Trustee. The trusts may be created to ensure that the benefits going to a child or adult are protected or alternatively, may be created to provide benefits going forward in perpetuity for a charitable organization. Most of the trusts are discretionary as to the payment of both income and capital, so the funds are distributed at PGT discretion as Trustee in accordance with terms of the trust agreement.

#### c. Executor Appointments

The PGT holds information from living persons who have named the PGT as Executor in their wills. The PGT communicates with them periodically to confirm that their estate plans are unchanged.

#### d. Litigation Representative

The PGT may agree to act as Litigation Representative for purposes of a specific legal action brought against an estate where there is no Executor, Administrator or other person to act. The PGT role is generally limited to accepting services on behalf of estates without assets. If the estate has assets, the PGT will apply for Letters of Administration to administer it and will deal with the litigation under that authority. These cases are externally driven, both in terms of the number of cases and the length of time required to resolve the associated legal issues.

#### e. PGT Educational Assistance Fund

As Trustee of a trust established by the province of BC in 1989, the PGT provides bursaries to qualifying adults who were formerly under the continuing care of the province.

Applicants are assessed on their grades, financial needs, career goals and other considerations. Funds available are dependent on rates of investment return. The trust had a capital value of \$763,000 at December 31, 2011.

In 2011-2012, there were 38 applicants ranging in age from 19 to 28 years. Bursaries ranging from \$800 to \$2,100 and totalling \$18,900 were awarded to 16 individuals. Applicants had a wide range of career goals ranging from social work and education to business administration and journalism.

#### f. Estates of Missing Persons

The PGT acts as Curator for persons who are missing as defined in the *Estates of Missing Persons Act*. The Curator manages the adult's property until the person is located or until the funds are paid into court for safekeeping. These cases are rare.

Estate and Personal Trust Services	
<b>Total Staff:</b>	<b>27 positions</b>
<b>Total Clients:</b>	<b>2,208*</b>
• Deceased estates	1,717
• Personal trusts	260
• Litigation Representative	43
• PGT Educational Assistance Fund	38 applicants
• Estates of Missing Persons	3
• Executor appointments	209
<b>Total value of assets under administration (at March 31, 2012):</b>	<b>\$192 million</b>
• Investments and securities	\$154 million
• Real property	\$33 million
• Other	\$5 million

\*Client counts reflect the number of individual clients served by both the division and by major business lines throughout the year. Because of this, the divisional total is typically less than the sum of the business lines as clients may require service in more than one business line.



#### 4. Client Finance and Administrative Services

The PGT Client Finance and Administrative Services division (CFAS) provides both corporate and direct client services. Corporate services include budget planning, corporate accounting, information technology, human resources coordination, mail room, facilities and office administration.

Client services include collecting client income, making client disbursements, providing investment expertise used in preparing client investment plans and investigating, securing and storing physical assets on behalf of clients.

During 2011-2012, in addition to supporting existing services, CFAS continued to develop PGT information technology systems and focused on improvements to the physical work environment.

CFAS has six primary business lines.

##### a. Information Technology Services

The PGT is independent in its client decision making and maintains its information technology services independently from the provincial government to protect client confidentiality.

##### b. Client Financial Services

Client Financial Services (CFS) has ongoing responsibility for managing client income, disbursements, assets and liabilities. CFS also manages and coordinates tax services for PGT clients.

##### c. Investment Services

Investing client assets is a significant PGT responsibility and by statute the PGT is required to act as a prudent investor. It applies diligent processes when reviewing and assessing clients to determine their investment goals and objectives. The PGT develops personalized investment plans to meet the identified client goals and objectives. For more information on investments, see page 22.

A statutory PGT Investment Advisory Committee is consulted on the investment policy for each pooled investment fund and provides advice on monitoring and measuring PGT investment performance, processes for engaging investment managers and other investment service providers and internal investment administration processes.

##### d. Corporate Financial Services

Corporate Financial Services provides budget planning, development and monitoring and corporate payment processing for the PGT. This includes preparing and supporting Treasury Board submissions, assisting with proposals for new legislation and leading the organization in implementing corporate wide financial initiatives.

##### e. Facilities and Administrative Services

Facilities and Administrative Services (FAS) provides corporate facilities, mail, records and administrative services. As an example, during 2011-2012, it logged more than 39,000 incoming cheques.

##### f. Field Services

Field Services investigates and secures client assets. This includes responsibility for the warehouse.



## Investments

The PGT has three pooled investment funds for clients – the Premium Money Market Fund, the Balanced Income Fund, and the Balanced Growth Fund.

- **The Premium Money Market Fund** is intended to preserve capital for risk averse clients and provide liquidity and an improved rate of return for short term investments. (Fund size \$494M at March 31, 2012).
- **The Balanced Income Fund** is aimed at generating current income with some growth. It is used most frequently by adult clients with medium term investment time horizons. (Fund size \$29M at March 31, 2012).
- **The Balanced Growth Fund** is aimed at long term capital growth. It is used most frequently by clients with longer investment time horizons such as young children. (Fund size \$72M at March 31, 2012).

Client funds are professionally invested in the pooled funds and other investment alternatives, including brokerage services and discretionary managed accounts. Although the PGT generally invests client funds in its three pooled funds, the choice of alternatives is determined by client goals and objectives set out in investment plans which are monitored on a regular basis according to portfolio risk.

The following table provides comparisons of rates of return for PGT pooled funds and standard alternatives as at March 31, 2012.

PGT Pooled Funds	Comparisons*
<b>Premium Money Market Fund</b> • 1.8% (1 year)	• 91 day Government of Canada Treasury Bill: .9% • 3 yr GIC: 2.11% • Chequing account interest: .05%
<b>Balanced Income Fund</b> • 3.40% (5 year annualized)	• Standard industry portfolio benchmark: 2.93% (5 year annualized)
<b>Balanced Growth Fund</b> • 1.85% (5 year annualized)	• Standard industry portfolio benchmark: 1.49% (5 year annualized)

\*Sources: Premium Money Market Fund – interest paid on PGT client account balances; GOC Treasury Bill – RBC Dexia; GIC – CIBC Wood Gundy; Chequing account – CIBC Wood Gundy; Balanced Income Fund and Balanced Growth Fund – RBC Dexia Investor Services.

## 5. Legal Services

PGT Legal Services are delivered by a complement of 13.5 staff lawyer positions distributed among program and corporate services and supplemented by outside counsel as required. The Deputy Public Guardian and Trustee is the Director of Legal Services. In January 2012, Jennifer A. Davenport was appointed Deputy Public Guardian and Trustee.

Within their assigned areas of practice, the staff lawyers provide advice to the PGT when acting on behalf of clients in a representative capacity. In this role, staff lawyers may appear at mediations or in civil proceedings on behalf of PGT clients or may instruct outside counsel acting on behalf of clients in a variety of civil matters.

The staff lawyers also carry out certain statutory obligations of the PGT, such as reviewing applications for appointment of Private Committees, reviewing settlements of claims for unliquidated damages on behalf of minors, reviewing proposed transactions affecting the property interests of minors and reviewing legal notices where the interests of minors or incapable adults may be affected. In some circumstances, staff lawyers provide written comments to the court regarding issues concerning the interests of minors or incapable adults in civil proceedings.

At March 31, 2012, PGT staff lawyers were providing legal advice and services to clients that involved acting on approximately 4,600 different legal issues.

The Administrative Counsel carries out a variety of duties to support PGT statutory obligations, including providing legal oversight of PGT involvement in advancing client interests in class proceedings and managing the overall provision of legal services to PGT clients by outside counsel.





In 2011-2012, the PGT initiated a pilot project to centralize the monitoring, coordination and management of PGT activities with respect to class actions. Over the past year, the PGT represented clients in five class actions and began to investigate potential claimants for a drug class action. The PGT continues to monitor ten separate class actions and related group proceedings and anticipates pursuing a number of them when the settlements are finalized. Several other class actions have been reviewed but will not be pursued unless the PGT becomes aware of a possible claim for a client.

The Information and Privacy Lawyer coordinates compliance with access to information and privacy legislation. The majority of requests to the PGT for information are complex and are made by family members of PGT clients. In 2011-2012, the PGT responded to 45 requests and participated in three reviews conducted by the Information and Privacy Commissioner.

The Deputy Public Guardian and Trustee and staff lawyers contribute regularly as speakers and writers for Continuing Legal Education activities with respect to the law which impacts PGT clients. They also participate in government law reform initiatives where the reform is relevant to the PGT mandate.

## 6. Policy, Planning and Public Education

The Policy, Planning and Public Education division provides a range of organization wide services in support of PGT operations. These include statutory organizational performance planning and reporting, internal and external communications, strategic planning, policy development, research and evaluation. During 2011-2012, the division focused on further developing PGT management information resources.

## 7. Vulnerable Adult Community Response

The PGT operational response to abuse, neglect and self neglect of adults who are or may be legally incapable rests with the Services to Adults division. The *Adult Guardianship Act* also provides for the PGT to designate external agencies who then have a duty to receive and respond to allegations of adult abuse, neglect and self neglect. The current Designated Agencies are the Health Authorities, Community Living BC (CLBC) and Providence Health Care Society.

The Act further provides for the PGT to organize community networks to provide support and assistance to abused and/or neglected adults. This is accomplished through coordinating a range of standing committees and special events involving service partners and other stakeholders.

Major standing committees include the BC Adult Abuse/Neglect Prevention Collaborative, a province wide community/government working group; and the Adult Guardianship Provincial Advisory Committee comprising representatives of the PGT, the Health Authorities and CLBC.

Starting in 2011-2012, the PGT participated in the development of a provincial elder abuse prevention strategy. In addition, the PGT

collaborated with several partner agencies to host a conference on financial abuse of vulnerable adults.

## 8. PGT Cross Divisional Activities

The PGT also undertook a number of significant cross divisional activities in 2011-2012. The enhancement of internal controls continued to be a primary focus of all divisions in 2011-2012. A new business planning process was developed and implemented to facilitate the PGT to manage within capacity. The PGT also participated in a number of activities to increase employee engagement.

PGT Summary Activities	
<b>Total Staff:</b>	<b>249 positions</b>
<b>Total Clients:</b>	<b>31,628*</b>
<b>Total value of assets under administration (at March 31, 2012):</b>	<b>\$914 million</b>
• Investments and securities	• \$709 million
• Real property	• \$186 million
• Other	• \$19 million
<b>Business Indicators:</b>	
• Client funds invested	• \$709 million
• Client bills paid	• \$163 million
• Client receipts processed	• \$197 million
<b>Other Indicators:</b>	
• Clients with trust accounts	• 15,631
• Real properties sold	• 135
• Income tax filings	• 5,914

\*Client counts reflect the number of individual clients served by both individual divisions and by major business lines throughout the year. Because of this, the PGT total is typically less than the sum of the division totals as clients may require service in more than one division.

#### D. Societal Trends and Other Factors Affecting the PGT in 2011-2012

A number of significant social trends, risk factors and internal issues affect the work of the PGT. These include the following:

##### 1. Evolving Legislative Framework

The PGT is entering a period of significant statutory change which will affect the role of the PGT in its provision of services to all client groups. The *Wills, Estates and Succession Act*, 2009, which is expected to be proclaimed in force in 2013, will change the fundamental rules of succession and the manner in which deceased estates are administered in British Columbia. This will impact the entitlement of PGT clients to share in or administer estates and will also effect the role of the PGT as estate executor or administrator.

The *Family Law Act*, 2011, which will repeal and replace the *Family Relations Act*, will come into force in 2013. This statute will modernize the law governing parentage, family relationships, family property rights and will create a new scheme for management of children's property. The legislation will authorize guardians to manage certain types of property for children in place of the PGT and will also create a new obligation for the PGT to review and to provide comments to the Court concerning the appointment of trustees for children's trusts.

Other changes to the legislative framework affecting the PGT may include the coming into force of a new *Limitation Act*, 2012 which will govern the relevant time periods during which civil claims may be commenced. The new limitation periods may impact the role of the PGT when acting as litigation guardian for certain client groups.

The implementation of significant legislative change will require the PGT to develop and put into practice corresponding new policies, business processes, information and technology systems changes and to focus on training to ensure that staff are equipped to carry out their duties within the new framework. The new laws will also require the PGT to develop information materials to assist service partners and stakeholders in understanding the resultant PGT services.

While some areas of the PGT's mandate will be governed by modernized laws, other areas remain subject to significantly outdated legislation. The current laws governing adult guardianship, for example, include a mix of antiquated provisions existing alongside provisions reflecting a contemporary approach to adult guardianship. This results from the fact that modernizing legislation has been brought into force by government in a piecemeal fashion to manage the cost of implementing some portions of the new legislative scheme.



While modernized legislation concerning the protection of vulnerable adults from abuse, neglect and self neglect has been brought into force, the outdated committee provisions of the 1962 *Patients Property Act* continue to govern court and statutory guardianship. A disjointed legal framework results in considerable confusion for the public and professionals alike. Also, it negatively impacts clients as the PGT may be unable to respond to client needs and expectations with as much flexibility as demanded by citizens in today's society.

##### 2. Increasing Awareness of Abuse of Older Adults

During the past year, the first of the baby boomer generation reached age 65. As the baby boomers retire, the demand for PGT services is expected to increase. PGT adult clients include a very significant proportion of seniors who require assistance in decision making due to cognitive diseases of aging. As the proportion of seniors in the overall provincial population grows, the number of vulnerable adults will also grow and the PGT will increasingly be looked upon to act as steward and protector for those who cannot protect themselves.

Public attention in regards to issues of abuse of older and other vulnerable persons has increased markedly in recent years. Society as a whole, through education campaigns, academic research and mainstream media is more aware of issues concerning the abuse, neglect and self neglect of seniors. In early 2012, the federal government announced its intention to amend the *Criminal Code of Canada* to reflect recognition that an offence that had significant impact on a victim due to age, would be considered an aggravating factor for the purposes of sentencing.

The BC government is currently moving forward to develop an elder abuse prevention strategy as part of its action plan for improving care for seniors. This plan, which is to be developed

through direct citizen centred consultations across the province, will be directed at preventing, identifying and responding to elder abuse and neglect. The PGT is participating in the consultation process and is offering its unique insight into the protection of vulnerable adults to identify existing strengths and challenges in the system, as well as looking for opportunities for collaboration and coordination of services to seniors.

### 3. Increasing Complexity of Existing Services

Public expectations are changing with respect to how public services should be delivered. The rigid, intrusive and uniform manner in which public services were generally provided in the past to incapable adults is no longer acceptable in modern society. It is now recognized that such services should be as limited as is required for protection and should reflect client wishes to the extent reasonably possible. Services need to be individualized to meet specific client needs.

Existing PGT services are increasingly becoming more complex to deliver. Demands for greater individualized service taking into account client wishes, including such wishes as retaining credit cards and keeping valuables in the home, means that client assets will be subjected to increased risk. Providing service in accordance with this modern approach is more resource intensive because of the additional workload associated with the fiduciary responsibility of monitoring to mitigate risk. There is also an increasing public expectation that some services will be delivered online and PGT resources do not currently permit application of this technology.

Seniors are increasingly likely to have complex financial and business affairs. Often client assets are difficult to locate, are documented electronically and require specialized skills to identify and access. Increasingly, PGT client assets are situated outside of British Columbia



and the PGT must turn to additional legal processes to secure and manage such assets.

Relatively high levels of immigration to British Columbia have increased the complexity of providing PGT services in a culturally appropriate manner and have raised client and general public expectations that services may be delivered in several languages.

The PGT is aware of and tries to understand and respond to these changing demands and expectations. As such, the PGT will continue to respond as fully as possible, balancing limited resources while managing to respond within capacity. However, no matter how public expectations and demands continue to evolve, the PGT still has a fiduciary duty to its clients and fulfilling this duty to clients must continue to be met ahead of all other priorities.

### 4. Services to Aboriginal British Columbians

The PGT has long recognized the particular needs of Aboriginal British Columbians and has

sought to improve its services to this community accordingly. The need to facilitate improved service both to Aboriginal clients, First Nations and related organizations is becoming more pronounced as Aboriginal organizations are increasingly becoming service partners with the PGT.

The proportion of children and youth within the BC Aboriginal population is growing rapidly. As Aboriginal children are currently overrepresented among children receiving child protection services, this underscores the importance of the PGT in providing effective services to this group.

The devolution of child protection services from MCFD to Delegated Aboriginal Child and Family Service Agencies continues to be an evolving service area. As coguardian for children in continuing care, the PGT has become a partner with each additional Aboriginal agency that has received delegated statutory authority from MCFD. The PGT has had to manage unfunded cost pressures as a result of the responsibilities associated with this restructuring process. These have included the need to develop and maintain organizational relationships and provide education around each party's respective roles with a growing number of coguardian organizations.

The conclusion of treaties with various First Nations groups also impacts PGT services. As the federal government withdraws from providing services on reserve after treaty implementation, the PGT may, depending on the terms of the treaty, face new responsibilities that may impact services for children and youth, vulnerable adults and the estates of deceased persons. The PGT continues to work in partnership with First Nations, Health Authorities and police services in coordinating resources and developing interagency protocols.

Though eager to improve service delivery to Aboriginal British Columbians, the PGT is limited





in its ability to implement improvements as it receives no additional public funding to facilitate service improvements and most of these services are either unable to generate enough revenue to offset costs or more likely, fall into the category of public services that do not generate revenue. As further treaties are signed and services formerly provided by the federal government are now expected to be delivered by the PGT, the lack of funding to implement targeted service enhancements will only exacerbate issues. Improving service is further constrained as PGT resources are insufficient to enable the addition of a PGT regional office in the northern region of the province where many Aboriginal clients live.

#### 5. Evolving Legal Services Environment

Providing for legal services to clients is a major PGT responsibility as a fiduciary and is a growing service area. The increase in the number of class proceedings creates a significant pressure for the PGT to determine which of its clients might be class members. This is a particular challenge for the PGT as many adult clients have no family and

few records of their lives prior to PGT involvement. Also, mental incapacity may limit the ability of clients to provide a reliable account of their experiences. While externally incurred costs arising from researching and securing records required to assess possible eligibility are borne by the clients, these demands also impact overall PGT organizational capacity and resources.

The PGT has been involved on behalf of clients in an increasing number of lawsuits relating to claims for damages for injuries suffered by clients in institutionalized settings. For example, the PGT has advanced individual claims for clients with respect to the Woodlands School and the Indian Residential Schools settlements.

The role of the PGT in protecting the right to compensation for injuries such as sexual or physical abuse of children for whom the PGT is Guardian of Estate continues to be a pressing issue. As a result of improved reporting by MCFD, the PGT is reviewing and responding to a significantly increased number of reports of incidents involving children in continuing care. Many of these reports reveal potential claims for damages to be advanced on behalf of these children.

Increased due process and risk management requirements add pressure to PGT corporate legal services. The PGT is also experiencing growing legal demands in accountability related activities such as those involving the Information and Privacy Commissioner. While costs incurred with these new legal pressures are incurred in acting as a fiduciary for individual clients, they are primarily funded as an aspect of organizational capacity.

The changing circumstances of adult clients also impose legal related demands. For example, increasing numbers of adult clients come to the PGT with more assets and/or debt than was previously the case and more complex estates give rise to more complex client legal issues.

Increased immigration levels have also added to legal complexity as many more clients now have assets located in other jurisdictions.

#### 6. Managing within Finite Resources

Public bodies at all levels of government are now expected to provide increasing levels of service with constant or decreasing levels of resources. The rate at which public revenues are expected to increase are at lower levels than at other points in recent history and as such governments have a limited ability to fund new and existing services. Governments across the globe and their associated agencies are reviewing strategies that will enable services to be delivered in a more efficient and streamlined manner, allowing the allocation of resources to address changing pressures.

Lean methodology and other process improvement techniques are increasingly being applied to public sector services. These techniques promote efficiency through decreased waste and the use of information based methods that focus on delivering what is of value. The PGT has already implemented a Continuous Improvement Program that focuses on ensuring existing processes are effective and optimized.

Volatile markets are another factor impacting the total resources available to the PGT in addressing increased demands for services. The PGT self funds a significant portion of its expenditures through fees and commissions (67.2% in 2011-2012) and as markets become more unpredictable and unstable, the portion of self funded PGT revenues becomes harder to predict and effectively utilize.

The PGT is increasingly looking towards technological solutions to help respond to increased service and accountability demands. The PGT is moving to replace its legacy information technology systems and ultimately increase capacity. Technological solutions can

assist in mitigating risks associated with trust management, heavy workloads and manual business processes.

#### 7. Responding to Unmet Needs

There are several groups of British Columbians who could benefit from but do not have access to PGT services. Vulnerable capable adults form a significant category of individuals who require support in managing their financial and legal interests but are refused by policy and limited operational capacity. While individuals may still be legally capable, they may perhaps be in the early stages of dementia. Other adults, who may be legally incapable of managing their affairs may still be declined PGT services because they have only limited assets such as a disability pension. The PGT can be of limited assistance to these individuals who would still be required to apply fees and commissions for services.

Young people are another group of British Columbians with unmet needs. The PGT is Guardian of Estate for children in continuing care and its authority currently ends when a child turns 19 years of age. These young people could often benefit from assistance as they transition to adulthood, especially with respect to obtaining and maintaining Registered Disability Savings Plans (RDSPs) and Registered Education Savings Plans (RESPs). Young people, for whom the PGT acts as trustee, would benefit from additional training and education in respect to financial literacy skills prior to the age of majority. The need to end PGT services to these vulnerable youth is inconsistent with evolving policy and practice in other areas of provincial services.

## E. Context for 2011-2012 Performance Results

### 1. Introduction

This document reports on PGT performance in year one of the 2011-2014 Service Delivery Plan (SDP) which was approved by the Minister of Justice and Attorney General. While the 2011-2014 SDP was not formally approved by Treasury Board, the 2011-2012 budget was funded as set out in the plan. Goals, objectives and performance measures were implemented during 2011-2012 as presented in the SDP and are reported upon herein.

### 2. Development of PGT Goals, Objectives and Performance Measures

The PGT is a client centered organization that seeks to improve the lives of its clients by providing protective and fiduciary services to them. Clients experience rights, choices and security through protection of their legal, financial, personal and health care interests. PGT goals reflect specific areas in which the PGT can act to improve the quality of clients' lives.

The 2011-2014 SDP sets out the following five goals:

1. Property and financial interests of PGT clients will be well managed.
2. Personal interests of PGT clients will be protected.
3. Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner.
4. The PGT will contribute to public awareness, policy development and law reform initiatives to promote the interests of PGT clients.
5. The PGT will deliver high quality client centred services.

#### a. Goals

The PGT approach to developing its goals focuses on outcomes required to fulfill its mandate. These outcomes are the well being of PGT clients, prudent management of client affairs, operational efficiency and staff effectiveness. Each of these five goals is related to one or more of these outcomes.

Goals one, two and three deal directly with work that the PGT undertakes on behalf of clients. Goals four and five concern both clients and organizational effectiveness.

As a fiduciary, a significant proportion of PGT activity involves property and financial management. The 2011-2012 PGT Performance Measurement Framework linking the goals, objectives and measures (pages 31-32) demonstrates that goal one has the greatest number of associated objectives and touches almost every area of the organization and its activities.

#### b. Objectives

Objectives identified in the SDP serve several functions. They interpret and make visible the meanings of the goals as they relate to specific aspects of PGT work, identify key areas of performance and point to certain desired results in achieving the goals.

The performance measures reflect PGT best efforts to identify aspects of its performance that are most directly related to achieving stated goals while still capable of being measured and validated to an audit standard. Selecting objectives and performance measures is particularly challenging because in most instances the PGT contribution to client outcomes is contributory rather than causative.



### c. Performance Measures

The PGT selects goals, objectives, performance measures and targets in accordance with underlying assumptions from its corporate values. PGT clients are often particularly vulnerable and the PGT contributes to their well being through activities that are significant to clients, their family, friends, caregivers or heirs. Factors such as accessibility, timeliness, accuracy and empowerment are important to client well being. Other factors include the need for client, service partner, stakeholder and public confidence in PGT expertise.

Many targets are driven by external considerations such as meeting legal requirements (e.g., fiduciary obligations); benchmarking against private sector standards (e.g., investment returns); responding to safety issues (e.g., investigations in high risk situations); or may reflect a balance between demand for services and resources in an environment of significant self funding.

Due to the planning and reporting cycle, targets for year end of the first year of the plan reflect the PGT's assessment of appropriate and attainable service levels based on its best judgment at the time they were established 18 months previous in the service planning cycle. Targets are also set with a view to determining the acceptable level of performance in a specific period given resources and constraints. In addition, the PGT must be able to substantiate its reported performance results to an audit standard. Results are continually assessed to determine if measures should be continued, targets should be adjusted or if resources could be reassigned to other service areas.

The PGT is mindful of its statutory obligation to report on all program areas. This 2011-2012 performance report includes 23 performance measures, the same number as were included in 2010-2011. This year, two measures have

been excluded from this count as they could not proceed within the year for reasons beyond PGT control. The first, a measure related to implementing new legislation was excluded as the new legislation did not come into effect. The second measure relating to implementing a new trust accounting system has been excluded as funding was not provided by government for replacement of the legacy system.

In 2011-2012 the target was increased for one measure and the targets for three other measures were modified to reflect a change in activity. One new measure related to new legislation was added. Changes in targets are described in the following reports on specific measures.

The PGT makes it a priority to meet its performance targets and monitors performance during the year. When targets are at risk, available resources are allocated in year to the program area.

The performance measures are set out in the 2011-2014 PGT Performance Measurement Framework on pages 31-32.

### 3. Role of the PGT Mission, Vision and Values

The PGT mission, vision and values are reflected in all aspects of its service delivery. They are expressed in the philosophy that PGT staff apply to their work such as ensuring that adult clients participate in decision making about their lives to the greatest extent possible. They are supported in formal policies and structure.

Much of the PGT mandate is to serve clients who do not have family or friends able to assist them. The PGT also has a statutory role to fulfill with respect to other clients. In other instances, PGT clients have chosen to seek service from the PGT.

PGT activities have a cumulative and contributory impact on improving the quality of clients' lives according to the specific client group and nature of the activity. Children and youth benefit when the PGT acts to maximize their funds held in trust while still allowing appropriate disbursements. Minor guardianship clients benefit when the PGT initiates legal actions on their behalf when they have suffered harm or injury. Heirs and beneficiaries of estates of deceased persons that are administered by the PGT benefit when they receive their share of the estate upon distribution.

Adult clients benefit when the PGT makes substitute decisions for clients who cannot manage their affairs independently while respecting client wishes to the extent possible. Adult clients benefit from substitute health care decisions when the PGT arranges for legal consent to treatment on behalf of a client.

In addition to its direct impact on clients, the PGT contributes to the ability of the social services, health, legal and justice systems to meet their objectives by providing timely substitute decision making, facilitating care, providing experienced objective legal reviews and taking protective measures on behalf of clients.

### Risk Management

The PGT acts in a broad range of fiduciary, statutory and court ordered roles and maintains an extensive internal control environment to respond to the legal, financial and other risks associated with its duties. Under the PGT Enterprise Risk Management Framework (ERM), the PGT regularly reviews and updates risks, potential impacts and mitigation strategies to ensure they remain current and appropriate.

The PGT implements strategies to manage and mitigate the potential for risks to impact the organization. These actions include planning and implementing internal controls and other risk management activities which the PGT determines to be appropriate based on the assessed level of risk, due consideration to resource constraints and risk tolerance levels commensurate with the PGT's duty as a fiduciary.

The following summarizes the most significant specific risks the PGT faces as identified and assessed through the ERM process, and outlines some of the major strategies employed to mitigate these risks. As a summary of specific key risks, this does not describe all potential risks facing the PGT nor all of the related controls and mitigation strategies.

#### *Resourcing*

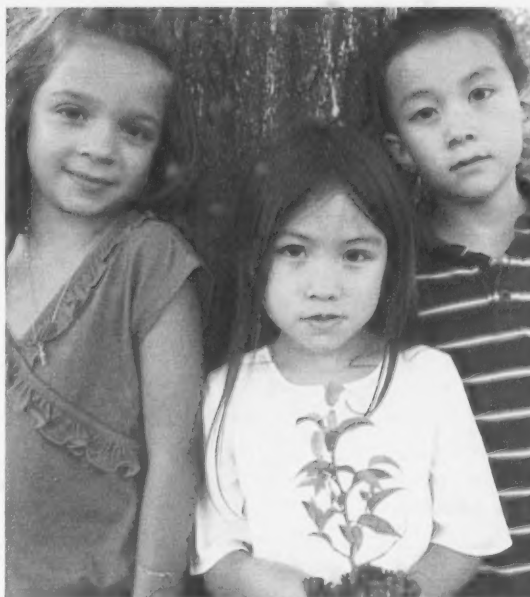
The PGT requires adequate funding to perform its legislated duties. As a largely self funded organization, the PGT may be at risk if new duties are imposed without corresponding funding or if market fluctuations negatively impact commission based income.

The PGT mitigates these risks by identifying resource impacts when commenting on proposed legislation, making appropriate budget submissions and reprioritizing existing activities as required.

#### *Externally Imposed Legislative and Policy Change*

The PGT may be significantly impacted by legislated and externally imposed policy changes that impact PGT workload or demand for PGT services. This includes changes impacting other organizations that secondarily impact the PGT.

The PGT mitigates this risk by seeking resources for new responsibilities and reviewing its activities to identify possible opportunities to create capacity for new responsibilities by reprioritizing existing activities.



#### *Information Technology*

The PGT requires an adequate, reliable information technology infrastructure and systems to meet its business needs. This area is currently at risk due to an antiquated financial system for which qualified technical staff are no longer routinely available.

The PGT mitigates this risk by continuing to seek funding for a modern trust accounting system to replace the outdated system and by reviewing options such as approaching retirees to locate qualified systems staff to provide support in the interim.

#### *Records Management*

The PGT requires reliable access to current and past client information to carry out its fiduciary duties. This access could be at risk due to data being stored in different formats.

The PGT is planning to secure a document management system in the future as part of continued development of its information technology infrastructure. The PGT also mitigates this risk through staff training.

#### *Staffing*

The PGT requires specialized skills to perform its duties and would be at risk if it did not have adequate numbers of staff and/or staff with adequate skills and experience. This could occur due to recruitment limitations and the departure of experienced staff.

The PGT has an ongoing commitment to improve employee engagement to enhance recruitment and retention, including prioritizing leadership training at all levels.

#### *Training*

The PGT would be at risk if its employees were not sufficiently trained to adequately perform their duties. This could occur because of the need to implement new legislation or because of inconsistent core training programs.

The PGT has established a Corporate Training Committee and is developing a comprehensive training program that identifies core training requirements.

#### *Management Information*

The PGT requires reliable management information to satisfy corporate needs such as planning, reporting and financial and staff management. This could be at risk due to incomplete, inaccurate or untimely financial and/or performance information.

The PGT mitigates this risk by establishing and monitoring key performance indicators in its service delivery plan and in new initiatives and by continuing to develop its case management system.

### *Demographic Change*

The PGT requires adequate resources to respond to needs associated with changing demographics. These impacts include increased demand for PGT services associated with dementia and other diseases of aging and also demand associated with increased cultural diversity.

The PGT mitigates this risk by monitoring workload and making appropriate budget submissions for resources to maintain service levels. The PGT has translated many of its information materials into key languages.

### *Priority Setting and Capacity Planning*

The PGT has extensive duties in several program areas and has limited organizational capacity to plan and/or implement new or changing priorities. These may include the need to implement new legislation and other externally determined initiatives and timelines.

The PGT mitigates this with its ongoing business planning processes that prioritize current and new initiatives within both organizational capacity and overall strategic directions of the organization.

## **F. 2011-2012 Performance Results**

In 2011-2012, the PGT met or exceeded its target for all 23 of its performance measures (100%). Two other measures had been planned but were not implemented as legislation had not yet come into effect and funding for a replacement trust accounting system had not been received. Comments related to data and the uses of comparative information are discussed below. Specific performance details related to each measure are provided in the following performance details section. The summary service delivery plan with goals, objectives, performance measures and targets appears on pages 31 to 32.

### **Source Data**

Data for this performance report has been drawn primarily from internal information management systems. The primary systems are COMET (financial) and CASE (case management). Financial statistics are derived largely from the audited financial statements and are rounded.

The PGT maintains clear documentation of the process for collecting and reporting on data supporting its performance results. This ensures consistency and reliability in reported results.

Reporting for ten of the measures is derived from information extracted from internal information management systems. The PGT is currently working towards further enhancing its reports to draw data directly from its primary information systems where possible. In 2011-2012 enhancements and modifications continued to be made to CASE so that an additional four measures would be supported for reporting in subsequent years. The PGT will continue to strengthen the reporting of performance measures moving forward.

Unless otherwise specified, client count reports reflect varying program workloads as measured by the number of individual clients served throughout the fiscal year. In some instances, the data counts will reflect the number of individual clients served and in others, the counts will reflect the number of specific legal authorities under which clients were served with consideration for the fact that one client may be served under multiple authorities. Unless otherwise stated, results for specific performance measures are comparable with previous years. In reporting on performance results, the PGT usually rounds to the nearest whole number.

The PGT continues to review its performance on a quarterly basis both to manage performance and also to identify concerns with data collection and reliability. Where available, the PGT uses spot checking, cross referencing data sources and checking new reports against prior versions for consistency and to test reliability of results.

In accordance with the *Public Guardian and Trustee Act*, the PGT annual performance report is subject to an independent audit to provide third party assurance on the reported results. Financial statements for the PGT Operating Account and Estates and Trusts Administered are also subject to an annual independent audit to provide third party assurance.

### **Comparative Information**

The PGT is a unique organization largely without private sector comparators and with limited comparability to public bodies in BC and other jurisdictions. Because of its responsibilities, mix of services and unique legal status, PGT access to generally accepted service standards is limited. Public Guardian and Public Trustee agencies in other provinces and territories each have some responsibilities, services or elements of them in common with the PGT but none have exactly the same authorities.

For 2011-2012, the PGT is able to make comparisons from its own past performance using information reported in its previous Annual Reports. While some measures have been changed, eliminated or been newly introduced over time, the available comparative data has become more substantial each year and has been used in several instances for changing measures and/or modifying performance targets.

# PERFORMANCE MEASUREMENT FRAMEWORK 2011-2012

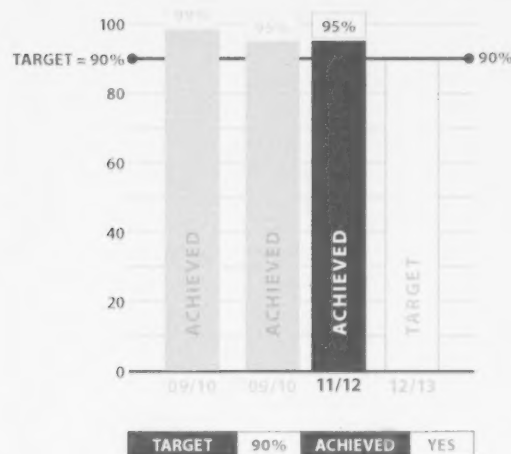
Goals	Objectives	Performance Measures
<b>1. Property and financial interests of PGT clients will be well managed.</b>	1.1 Disbursements from children's trusts will be made in a timely manner.	1.1.1 Percentage of disbursements from children's trusts that are completed within 15 calendar days of request by the guardian or client
	1.2 Legal, financial and property interests and assets of clients will be identified, secured and managed in a timely and prudent manner.	1.2.1 Percentage of critical incident reports in respect of children in continuing care that are reviewed and have action initiated by the PGT within 60 calendar days of receipt
		1.2.2 Percentage of personalized case plans (covering property, effects, legal issues and living arrangements) that are developed and implemented for new adult clients within six months of PGT appointment as Committee of Estate
		1.2.3 Percentage of adult client trust receipts that are processed within five business days
		1.2.4 Percentage of adult client disbursements processed within 15 business days
	1.3 Assets of client estates will be identified, secured and administered in a timely manner.	1.3.1 Physical assets of new deceased estates secured within 15 calendar days of notification of death
	1.4 Implement enhanced risk management processes	1.4.1 Maintain Enterprise Risk Management (ERM) Framework 1.4.2 New and ongoing client assets will be secured and prudently managed
<b>2. Personal interests of PGT clients will be protected.</b>	1.5 Estate distributions will be made to heirs and beneficiaries.	1.5.1 Percentage of deceased estate funds that are distributed to heirs and beneficiaries rather than transferred to the BC Unclaimed Property Society
	1.6 Client investments will be handled prudently.	1.6.1 Investment returns for all three pooled funds match or exceed established benchmarks
		1.6.2 Percentage of investment plans subject to review that are completed within the year
	2.1 The personal needs of child and youth clients will be protected.	2.1.1 For children and youth with assets in excess of \$50,000 where ongoing assistance with day to day maintenance has been approved, personalized expenditure plans will be developed and implemented within 20 calendar days of receiving all decision making information and then annually reviewed
	2.2 The personal interests and health care needs of adult clients will be addressed.	2.2.1 Percentage of Committee of Person adult clients who are annually visited by PGT staff 2.2.2 Percentage of major health care substitute decisions for adults made within three business days of all relevant information being received

...continued on page 32



Goals	Objectives	Performance Measures
3. Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner.	3.1 Settlement reviews of legal claims of children and youth will be carried out in a timely manner.	3.1.1 Percentage of proposed minors' settlements \$5,000 and over that are reviewed and the parties advised of the PGT position within 60 calendar days once all relevant information has been received 3.1.2 For minors' settlements under \$5,000, the average number of calendar days to review and advise of the PGT position regarding proposed settlements once all relevant information has been received
	3.2 The PGT will act to protect the assets of adults at risk for abuse, neglect and self neglect.	3.2.1 Percentage of cases where, on confirming that the assets of an apparently abused or neglected adult unable to seek support and assistance are at significant risk and in need of immediate protection, protective steps are taken within one business day under section 19 of the <i>Public Guardian and Trustee Act</i> 3.2.2 Average age of Private Committee accounts that have been submitted for passing and are awaiting PGT decision 3.2.3 Implement PGT statutory responsibilities for incapacity planning provisions of the <i>Adult Guardianship and Planning Statutes Amendment Act, 2007</i>
4. The PGT will contribute to public awareness, policy development and law reform initiatives to promote the interests of PGT clients.	4.1 The PGT will make relevant useful and affordable recommendations to government for law reform affecting clients.	4.1.1 Make a submission to the Attorney General regarding proposed amendments to the <i>Family Relations Act</i>
	4.2 The PGT will promote an understanding of its role among clients, service partners, stakeholders and the public.	4.2.1 PGT role explained by PGT representatives at stakeholder and service partner conferences, events and other public education forums
5. The PGT will deliver high quality client centred services.	5.1 The PGT will meet client expectations for quality, equitable and accessible services.	5.1.1 Percentage of heirs and beneficiaries responding to survey who rated administration services for deceased estates as good or very good 5.1.2 Percentage of stakeholders reporting satisfaction with PGT legal services (stakeholder group varies annually)



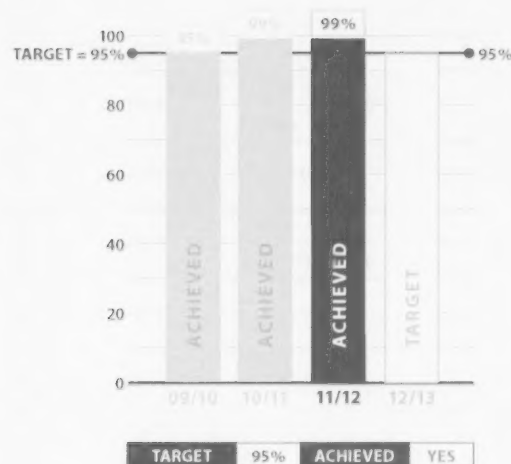


**OBJECTIVE 1.1** Disbursements from children's trusts will be made in a timely manner.

**1.1.1 Percentage of disbursements from children's trusts that are completed within 15 calendar days of request by the guardian or client**

Administering trusts where a child or youth is the beneficiary is a major responsibility of PGT Child and Youth Services. Unlike a bank account, funds held in trust are subject to a number of restrictions designed to protect the client. Guardianship and Trust Officers consider client requests to spend from the individual's trust fund and must determine whether the request falls in or outside the trust restrictions while still providing a timely response. This activity benefits children and youth by allowing appropriate disbursements in a timely manner while applying necessary constraints to satisfy fiduciary duties to be prudent and to maximize funds for their future.

It is reasonable in most cases to expect a request to be decided within 15 calendar days. In 2011-2012, out of 3,395 decisions to issue funds, 3,234 (95%) were completed and a cheque was issued within 15 calendar days of a request by the guardian or client.



**OBJECTIVE 1.2** Legal, financial and property interests and assets of clients will be identified, secured and managed in a timely and prudent manner.

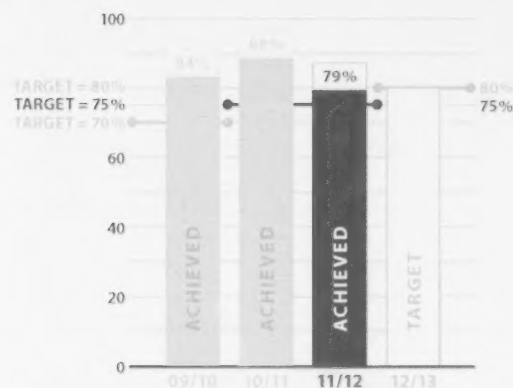
**1.2.1 Percentage of critical incident reports in respect of children in continuing care that are reviewed and have action initiated by the PGT within 60 calendar days of receipt**

The PGT is coguardian with the Ministry of Children and Family Development (MCFD) and Delegated Aboriginal Child and Family Service Agencies (DAAs) for children in continuing care of the province. Designated officials of MCFD and the DAAs are Guardians of Person for children in continuing care and the PGT is Guardian of Estate. As Guardian of Estate, the PGT identifies financial entitlements or legal claims and brings forward appropriate legal action on behalf of the children and youth. This includes legal claims for damages such as personal injury arising from abuse, assault or motor vehicle accidents as well as for statutory benefits such as from the death of a parent.

The PGT receives automated reporting from MCFD and the DAAs of incidents involving children in continuing care and must review these reports to determine whether to commence civil legal proceedings on behalf of the child.

This activity improves the well being of children and youth in continuing care of the province by protecting their legal rights and financial interests. It also satisfies PGT legal obligations as fiduciary. In 2011-2012, of 619 critical incident reports received, 617 (99%) were reviewed and action was initiated by the PGT within 60 calendar days of receipt of the report.

## PERFORMANCE DETAILS • GOAL 1: PROPERTY AND FINANCIAL INTERESTS OF PGT CLIENTS WILL BE WELL MANAGED.



TARGET 09/10	70%	ACHIEVED	YES
TARGET 10/12	75%	ACHIEVED	YES
TARGET 12/13	80%	ACHIEVED	N/A

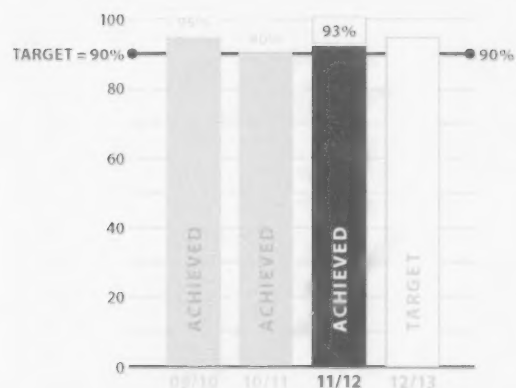
**OBJECTIVE 1.2** Legal, financial and property interests and assets of clients will be identified, secured and managed in a timely and prudent manner.

### 1.2.2 Percentage of personalized case plans (covering property, effects, legal issues and living arrangements) that are developed and implemented for new adult clients within six months of PGT appointment as Committee of Estate

The PGT may become Committee of Estate (COE) under the *Patients Property Act* for adults who are unable to manage their financial and legal affairs. Completion of a personalized case plan for a new COE client demonstrates that the PGT has taken the steps necessary to identify and secure the client's property and financial interests and provides for their ongoing protection. Time taken to develop and implement the plan will vary according to complexity of the client's property and financial investments. For this measure, appointment as COE means the date on which the PGT is notified of the appointment.

This activity improves quality of life for incapable adults by making arrangements that respect client wishes to the extent possible and by developing plans to maximize resources available for their care. For most new COE clients, 6 months is a reasonable expectation in which to complete the plan as several months are normally required to collect all relevant information about the client.

During 2011-2012, 421 new clients required these plans and the PGT developed personalized case plans for 334 (79%) of them within the 6 month time frame.



TARGET	90%	ACHIEVED	YES
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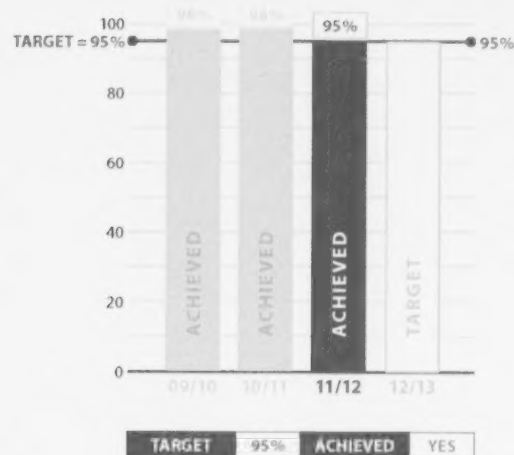
**OBJECTIVE 1.2** Legal, financial and property interests and assets of clients will be identified, secured and managed in a timely and prudent manner.

### 1.2.3 Percentage of adult client trust receipts that are processed within five business days

The efficient management of client financial affairs is of paramount importance to the PGT. This includes the timely processing of income and receipts. By promptly depositing income and other funds into an adult client's trust fund, flexibility in managing a client's affairs increases as does the client's potential to earn investment income. This activity improves quality of life for incapable adults by maximizing resources available for their care.

This performance measure tracks trust receipts received by PGT adult clients. In 2011-2012, of the 27,837 receipts of income or capital, 25,918 (93%) were processed within the 5 day timeline.

## PERFORMANCE DETAILS • GOAL 1: PROPERTY AND FINANCIAL INTERESTS OF PGT CLIENTS WILL BE WELL MANAGED.

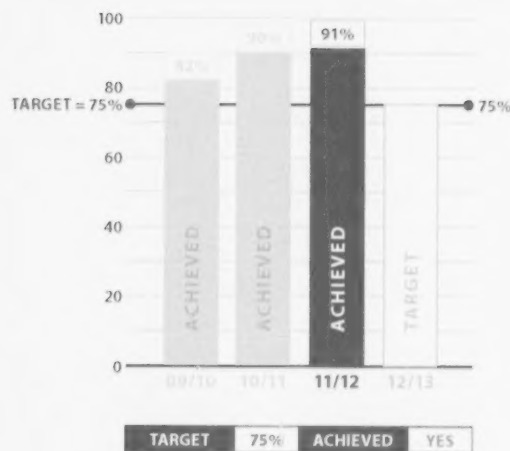


**OBJECTIVE 1.2** Legal, financial and property interests and assets of clients will be identified, secured and managed in a timely and prudent manner.

### 1.2.4 Percentage of adult client disbursements processed within 15 business days

Ensuring that amounts owed by PGT clients are paid in a timely manner is an important aspect of managing an adult client's affairs. This activity improves quality of life for incapable adults by ensuring timely bill payments on their behalf.

In 2011-2012, of 163,192 adult client disbursements, 155,503 (95%) were processed within 15 business days.



**OBJECTIVE 1.3** Assets of client estates will be identified, secured and administered in a timely manner.

### 1.3.1 Physical assets of new deceased estates secured within 15 calendar days of notification of death

Securing the physical assets of a deceased person's estate is a critical step in reducing risk of damage and preventing loss to the value of an estate. The result for creditors and beneficiaries of the estate improves according to the speed with which physical assets are secured. This activity secures assets and maximizes funds available to estates of deceased persons. Some data for this report was drawn from a new Field Services information system that was implemented during 2011-2012.

In 2011-2012, the PGT was notified of 87 new deceased estates that required this service. Of these, the physical assets for 79 (91%) were secured within 15 calendar days.

# PERFORMANCE DETAILS • GOAL 1: PROPERTY AND FINANCIAL INTERESTS OF PGT CLIENTS WILL BE WELL MANAGED.

YEAR	SUBJECT	RESULT
12/13	TARGET	NA
11/12	TARGET	Respond to two risk categories by March 31, 2012
	ACHIEVED	Responded to two risk categories by March 31, 2012
10/11	TARGET	Framework established and operational by March 31, 2011
	ACHIEVED	Framework established and operational by March 31, 2011
09/10	TARGET	NA
	ACHIEVED	NA

TARGET ACHIEVED YES

YEAR	SUBJECT	RESULT
12/13	TARGET	NA
11/12	TARGET	An appropriate Field Services performance measure will be developed
	ACHIEVED	An appropriate Field Services performance measure was developed
10/11	TARGET	A full business process review of Field Services completed with resulting changes in practice implemented by March 31, 2011
	ACHIEVED	Review completed with resulting changes in practices implemented by March 31, 2011
09/10	TARGET	NA
	ACHIEVED	NA

TARGET ACHIEVED YES

## OBJECTIVE 1.4 Implement enhanced risk management processes.

### 1.4.1 Maintain Enterprise Risk Management (ERM) Framework

The PGT operates under an Enterprise Risk Management (ERM) framework which was developed in 2009-2010. During 2011-2012, the PGT responded to two risk categories.

In responding to the risk category of "Externally Imposed Legislative and Policy Change" the PGT considered, reviewed and initiated action where appropriate in response to pending legislative and policy changes. Key statutes such as the *Family Law Act*, *Adult Guardianship and Planning Statutes Amendment Act* and *Wills, Estates and Succession Act* were considered.

The PGT also responded to the risk category of "Priority Setting and Capacity Planning" by conducting business planning activities that identified priority initiatives through March 31, 2013. Processes were established to ensure that priority setting and capacity planning would continue to be addressed moving forward.

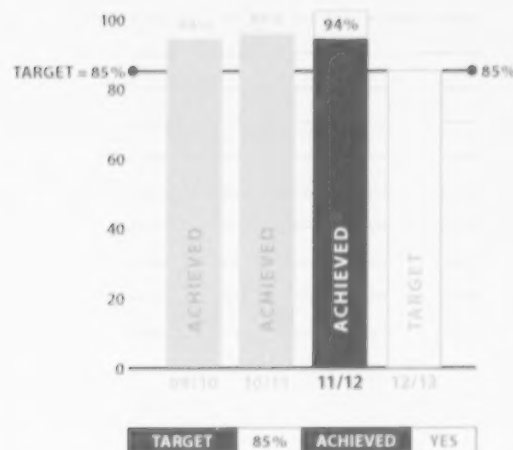
## OBJECTIVE 1.4 Implement enhanced risk management processes.

### 1.4.2 New and ongoing client assets will be secured and prudently managed

PGT Field Services incorporates investigations of client physical assets, taking custody of them and providing for their security. In 2010-2011, the PGT restructured these services to maximize efficiency and to strengthen internal controls over the process and the assets. A full business process review of the area was completed and the resulting changes in practice were implemented.

In 2011-2012, a new measure was designed to further evaluate PGT performance in the securing of client assets. This measure, which was included in the 2012-2015 Service Delivery Plan, reads as follows: Assets listed on the Client Inventory Report will be entered into COMET within 5 business days of receipt of the Notification being filed in the Field Services System.

## PERFORMANCE DETAILS • GOAL 1: PROPERTY AND FINANCIAL INTERESTS OF PGT CLIENTS WILL BE WELL MANAGED.



### OBJECTIVE 1.5 Estate distributions will be made to heirs and beneficiaries.

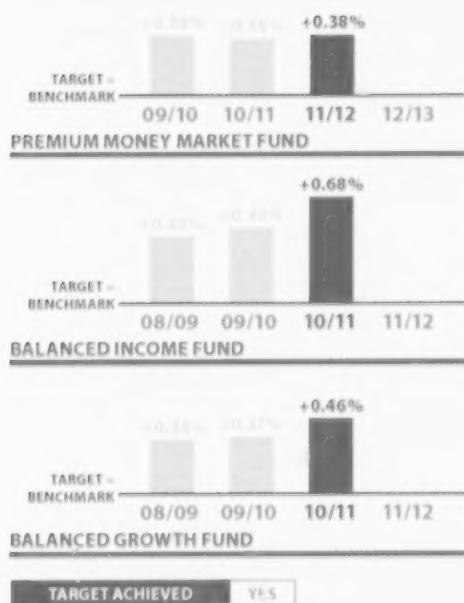
#### 1.5.1 Percentage of deceased estate funds that are distributed to heirs and beneficiaries rather than transferred to the BC Unclaimed Property Society

The PGT, as Official Administrator of British Columbia, administers estates when the executor, heir, beneficiary or other eligible person is not able or willing to do so.

If the PGT is unable to determine the lawful heirs of an estate after conducting a search, the balance of the estate after payment to creditors, administrator fees and expenses is transferred to the BC Unclaimed Property Society.

This activity protects heirs and beneficiaries by ensuring that efforts are made to locate and distribute their entitlements to them.

In 2011-2012, PGT Estate and Personal Trust Services distributed \$25,744,478.94 of which \$24,073,350.53 (94%) was transferred to the heirs and beneficiaries.



### OBJECTIVE 1.6 Client investments will be handled prudently.

#### 1.6.1 Investment returns for all three pooled funds match or exceed established benchmarks

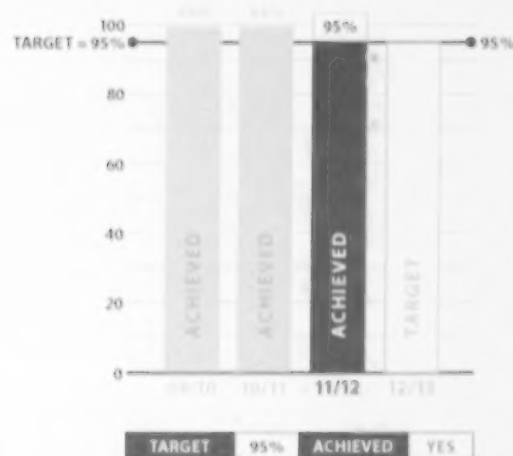
PGT client funds are invested to maximize returns in a manner appropriate to individual client circumstances. This measure is a means of comparing performance by investment managers retained by the PGT against established industry benchmarks. The PGT has three pooled common funds: the Premium Money Market Fund; the Balanced Income Fund; and the Balanced Growth Fund. The majority of client funds are held in the Premium Money Market Fund.

Investment returns are calculated using the investment industry standard of four year rolling averages with information on returns provided by third party professional measurement services. RBC Dexia Investor Services measures the Balanced Income and the Balanced Growth Funds and the BC Investment Management Corporation measures the Premium Money Market Fund.

This activity improves quality of life for clients by prudently managing their financial resources with quality investment management to ensure their resources are maximized to meet their needs. In 2011-2012, investment returns for all three pooled funds exceeded the established benchmarks. Details are recorded in the accompanying table.



## PERFORMANCE DETAILS • GOAL 1: PROPERTY AND FINANCIAL INTERESTS OF PGT CLIENTS WILL BE WELL MANAGED.



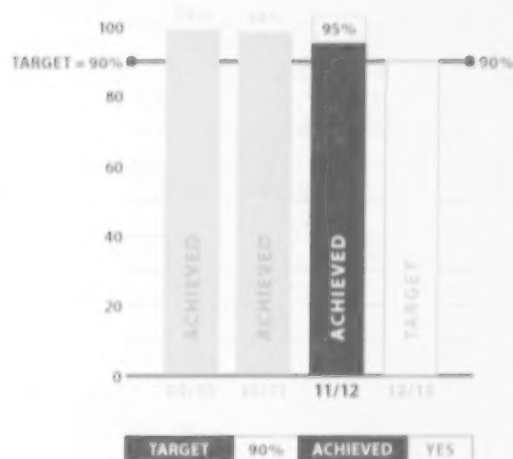
OBJECTIVE 1.6 Client investments will be handled prudently.

### 1.6.2 Percentage of investment plans subject to review that are completed within the year

Individual client circumstances, such as increased or decreased needs for cash funds, are considered when developing and reviewing investment plans. Reviewing existing client investment plans is important because client needs and risk tolerance change over time. Frequency of reviews is also related to the asset mix in the client investment plan. The PGT reviews client investment plans on a rotating basis according to the assessed level of risk associated with the client investment portfolio.

This activity improves quality of life for clients by ensuring that financial planning remains up to date to maximize resources available for their needs. At March 31, 2011, 952 client investment plans were scheduled for review during 2011-2012 and 132 clients left PGT authority during the year. Of the remaining 820 clients, 779 (95%) of the scheduled account reviews were completed.

## PERFORMANCE DETAILS • GOAL 2: PERSONAL INTERESTS OF PGT CLIENTS WILL BE PROTECTED.



OBJECTIVE 2.1 The personal needs of child and youth clients will be protected.

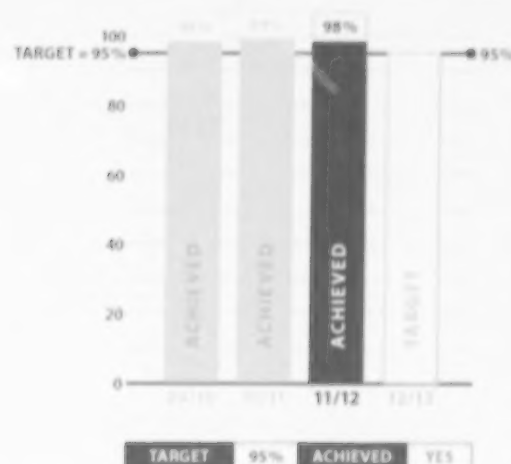
### 2.1.1 For children and youth with assets in excess of \$50,000 where ongoing assistance with day to day maintenance has been approved, personalized expenditure plans will be developed and implemented within 20 calendar days of receiving all decision making information and then annually reviewed

The PGT implements and maintains personalized case plans on behalf of child and youth clients who have assets of \$50,000 or more where ongoing assistance with day to day maintenance has been approved. Maintenance includes a broad range of payments to the caregiver for day to day costs of the child's needs.

This measure focuses on child and youth clients with significant liquid assets who receive enhanced trust services. This activity improves the quality of life for minors by providing timely decisions regarding sustainable management of their resources to meet current and future needs.

In 2011-2012, personalized case plans were developed and implemented or reviewed within the target timelines for 94 of 99 (95%) minor clients who had been awarded \$50,000 or more for ongoing maintenance. The annual reviews are conducted within 425 days of the previous review to allow flexibility in order to accommodate client needs.

## PERFORMANCE DETAILS • GOAL 2: PERSONAL INTERESTS OF PGT CLIENTS WILL BE PROTECTED.



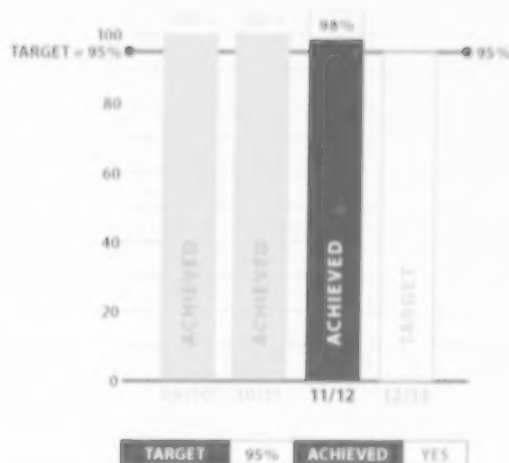
**OBJECTIVE 2.2** The personal interests and health care needs of adult clients will be addressed.

### 2.2.1 Percentage of Committee of Person adult clients who are annually visited by PGT staff

There are a small number of adult clients for whom the PGT acts as a court appointed Committee of Person and is responsible for their personal care interests. The PGT attempts to visit each of these clients at least once every year. For the PGT, the visit is an opportunity to review the client's personal situation and assess whether changes are required to ensure protection of their ongoing personal and health care interests. For the adult, the visit is an opportunity to convey information directly to the PGT without an intermediary such as the caregiver or the care facility administrator.

This performance measure focuses on clients for whom the PGT has the greatest responsibility. Client visits improve quality of life for clients through direct contact with PGT staff and provide for their maximum empowerment.

In 2011-2012, visits were made to 116 of 118 (98%) adult clients for whom the PGT acts as Committee of Person.



**OBJECTIVE 2.2** The personal interests and health care needs of adult clients will be addressed.

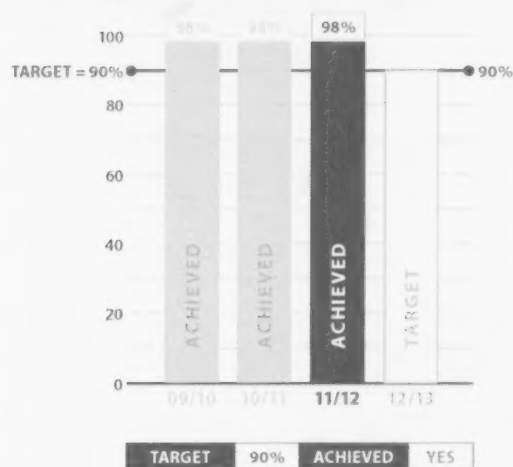
### 2.2.2 Percentage of major health care substitute decisions for adults made within three business days of all relevant information being received

The PGT protects the personal interests of adults incapable of making health care consent decisions by making these decisions on their behalf as Temporary Substitute Decision Maker (TSDM) under the *Health Care (Consent) and Care Facility (Admission) Act*.

The timeliness of PGT substitute health decisions as TSDM on behalf of incapable adults is important to the well being and rights protection of the individual for whom treatment has been proposed by a health care provider.

Timeliness of decision making is important because it facilitates clients receiving health care in a timely manner if that treatment is consented to by the TSDM. In 2011-2012, of 123 major health care decisions, 121 (98%) were made within the three day time frame.

**PERFORMANCE DETAILS • GOAL 3: STATUTORY PROTECTIVE AND MONITORING SERVICES WILL BE DELIVERED IN AN APPROPRIATE, TIMELY AND FAIR MANNER.**



**OBJECTIVE 3.1** Settlement reviews of legal claims of children and youth will be carried out in a timely manner.

**3.1.1 Percentage of proposed minors' settlements \$5,000 and over that are reviewed and the parties advised of the PGT position within 60 calendar days once all relevant information has been received**

Under the *Infants Act*, the PGT must review all proposals to settle a variety of claims on behalf of a minor for unliquidated damages such as wrongful death of a parent, personal injury arising from motor vehicle accidents, medical malpractice and other claims. The PGT has jurisdiction to approve infant settlements of \$50,000 or less (exclusive of interest and costs) outside the court process and provides written comments to the court for amounts greater than \$50,000 or where the PGT is acting as Litigation Guardian for the child.

This statutory service protects minor's property rights in obtaining fair and reasonable compensation from negligent parties or their insurers. It also contributes to increasing the efficiency of the court system by providing experienced, objective reviews in a timely manner. Within this timeframe, the PGT works as quickly as possible as PGT review is usually the final step in what may already have been a very long process for the child and their parent or guardian.

In 2011-2012, in 427 of 436 cases (98%), the PGT reviewed the proposed settlements and advised the parties of the PGT position within 60 calendar days of all relevant information being received.



**OBJECTIVE 3.1** Settlement reviews of legal claims of children and youth will be carried out in a timely manner.

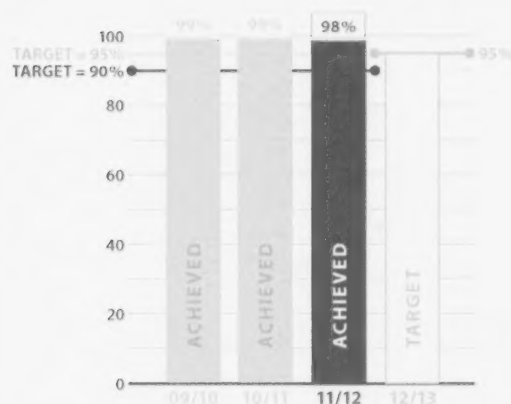
**3.1.2 For minors' settlements under \$5,000, the average number of calendar days to review and advise of the PGT position regarding proposed settlements once all relevant information has been received**

This measure is related to the previous measure (3.1.1) and focuses on proposed settlements of minors' claims under \$5,000 for unliquidated damages. Under the *Infants Act*, the PGT must review all proposals to settle a claim by a minor for unliquidated damages. The PGT has jurisdiction to approve infant settlements of \$50,000 or less (exclusive of interests and costs). Parties may appeal the PGT decision to the BC Supreme Court, in which case, the PGT would provide comments to the court as it does for settlements over \$50,000.

These smaller settlements are reported separately because they are usually less complex than larger settlements and it is possible for the PGT to review these proposals more expeditiously. This increases efficiency of the review process and helps the parties to achieve closure.

In 2011-2012, the PGT reviewed and concluded 183 proposed settlements under \$5,000 in an average of 12 elapsed days per settlement.

**PERFORMANCE DETAILS • GOAL 3: STATUTORY PROTECTIVE AND MONITORING SERVICES WILL BE DELIVERED IN AN APPROPRIATE, TIMELY AND FAIR MANNER.**



TARGET 09/12	90%	ACHIEVED	YES
TARGET 12/13	95%	ACHIEVED	NA

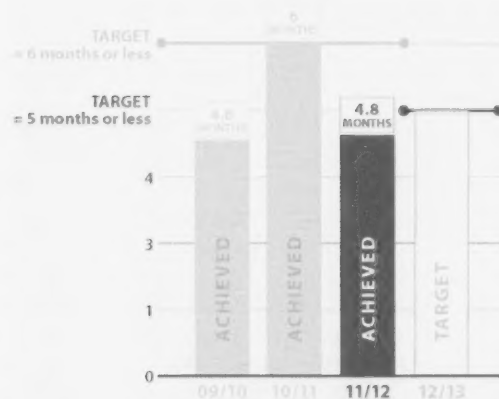
**OBJECTIVE 3.2** The PGT will act to protect the assets of adults at risk for abuse, neglect and self neglect.

**3.2.1 Percentage of cases where, on confirming that the assets of an apparently abused or neglected adult unable to seek support and assistance are at significant risk and in need of immediate protection, protective steps are taken within one business day under section 19 of the Public Guardian and Trustee Act**

The PGT is mandated under the *Public Guardian and Trustee Act* to protect incapable adults at risk for abuse, neglect and self neglect. One way it does this is to safeguard their assets so that persons seeking to take financial advantage of them will be unable to do so. Under section 19, the PGT orders financial interventions to freeze the assets of an individual while the PGT investigates the situation.

The speed of PGT action can be a major determinant of whether client assets are protected. Taking protective measures in a timely manner increases safety for abused, neglected and self neglecting incapable adults.

In 2011-2012, the PGT took protective measures in 176 cases. In 173 (98%) of these, protective measures were taken within one working day.



TARGET 09/11	6 MONTHS OR LESS	ACHIEVED	YES
TARGET 09/11	5 MONTHS OR LESS	ACHIEVED	NA

**OBJECTIVE 3.2** The PGT will act to protect the assets of adults at risk for abuse, neglect and self neglect.

**3.2.2 Average age of Private Committee accounts that have been submitted for passing and are awaiting PGT decision**

The PGT is responsible under the *Patients Property Act* for passing the accounts submitted by Private Committees appointed by the Supreme Court of BC to be responsible for adults who are not capable of managing their own affairs. Passing the accounts of Private Committees provides information on the financial decisions they have made on behalf of their clients. This measure reports on the timeliness of PGT reviews.

Reviewing the accounts of Private Committees in a timely manner is important in ensuring that financial affairs of the adult are managed by Private Committees in a fiduciary manner and in allowing Private Committees to take fees to which they are entitled. High risk accounts are reviewed within 60 days.

Accounts that are not ready for review, such as those that are incomplete or require special investigation are not included in this measure. At March 31, 2012, the average age of the remaining Private Committee accounts was 4.8 months.



**PERFORMANCE DETAILS • GOAL 3: STATUTORY PROTECTIVE AND MONITORING SERVICES WILL BE DELIVERED IN AN APPROPRIATE, TIMELY AND FAIR MANNER.**

YEAR	SUBJECT	RESULT
12/13	TARGET	NA
11/12	TARGET	Deliver new statutory roles as of September 1, 2011.
	ACHIEVED	New statutory roles delivered as of September 1, 2011.
10/11	TARGET	NA
	ACHIEVED	NA
09/10	TARGET	NA
	ACHIEVED	NA
TARGET ACHIEVED		YES

OBJECTIVE 3.2 The PGT will act to protect the assets of adults at risk for abuse, neglect and self neglect.

**3.2.3 Implement PGT statutory responsibilities for incapacity planning provisions of the *Adult Guardianship and Planning Statutes Amendment Act, 2007***

The *Adult Guardianship and Planning Statutes Amendment Act, 2007* (Bill 29 2007) was passed by the Legislative Assembly of British Columbia on October 22, 2007 and given Royal Assent on November 22, 2007. On February 4, 2011 the Attorney General announced that Bill 29, the amended *Adult Guardianship and Planning Statutes Amendment Act, 2007* would come into force on September 1, 2011. The effect of Bill 29 is that personal planning legislation and miscellaneous amendments to legislation already in force came into force.

Prior to the amendments coming into force, the Services to Adult Division of the PGT needed to prepare itself by ensuring that policies were in place and services were adapted to reflect the amended legislation. All PGT staff impacted by the legislative changes required training. In addition, public information such as that on the PGT website required updating and a number of public presentations were required as part of an outreach strategy. The PGT was prepared to deliver all new statutory roles as of September 1, 2011.

**PERFORMANCE DETAILS • GOAL 4: THE PGT WILL CONTRIBUTE TO PUBLIC AWARENESS, POLICY DEVELOPMENT AND LAW REFORM INITIATIVES TO PROMOTE THE INTERESTS OF PGT CLIENTS.**

YEAR	SUBJECT	RESULT
12/13	TARGET	NA
11/12	TARGET	Submitted by March 31, 2012 (subject to Bill being introduced)
	ACHIEVED	Submission regarding proposed amendments submitted by March 31, 2012
10/11	TARGET	NA
	ACHIEVED	NA
09/10	TARGET	NA
	ACHIEVED	NA
TARGET ACHIEVED		YES

OBJECTIVE 4.1 The PGT will make relevant, useful and affordable recommendations to government for law reform affecting clients.

**4.1.1 Make a submission to the Attorney General regarding proposed amendments to the *Family Relations Act***

The PGT continues to provide comments on issues affecting the statutory mandate of the PGT and the interests of PGT clients and supports the significant advancement in the law governing parentage, family relationships and property rights created by the new legislation. The PGT has participated extensively in consultations with the Ministry of Justice and Attorney General, regarding development of the new *Family Law Act* which will repeal and replace the *Family Relations Act* when proclaimed in force.

In its submission to the Ministry of Justice and Attorney General, two issues were identified as outstanding pertaining to the impact on the role of the PGT and the interests of PGT clients. The first issue relates to the new process for management of children's property set out in Part 8 of the new legislation. The second issue is the continuing need for a modern statutory definition of the powers and duties of public guardianship of the estate of a child which was considered but not ultimately addressed in the new legislation. The PGT looks forward to addressing these issues with the ministry moving forward.



**PERFORMANCE DETAILS • GOAL 4: THE PGT WILL CONTRIBUTE TO PUBLIC AWARENESS, POLICY DEVELOPMENT AND LAW REFORM INITIATIVES TO PROMOTE THE INTERESTS OF PGT CLIENTS.**

YEAR	SUBJECT	RESULT
12/13	TARGET	65 presentations
11/12	TARGET	50 presentations
	ACHIEVED	71 presentations
10/11	TARGET	50 presentations
	ACHIEVED	92 presentations
09/10	TARGET	50 presentations
	ACHIEVED	84 presentations

TARGET ACHIEVED YES

**OBJECTIVE 4.2** The PGT will promote an understanding of its role among clients, service partners, stakeholders and the public.

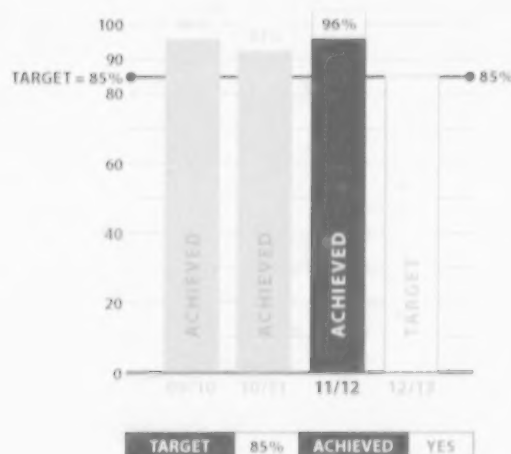
**4.2.1 PGT role explained by PGT representatives at stakeholder and service partner conferences, events and other public education forums**

There is continuing high demand from the public, service partners and stakeholders for the PGT to make presentations about the PGT and its areas of responsibility. Service partners also request presentations that will enable them to understand related roles and responsibilities. The PGT will be involved in implementing a range of new legislation over the next few years and the requirement for public awareness activities will be great. The PGT continually strives to meet the demand for public education activities which must be balanced against other service requirements.

Better understanding of the PGT role promotes appropriate uptake of PGT services and is an important element in a PGT demand management strategy. The recent Ombudsperson's report on *The Best of Care: Getting it Right for Seniors in British Columbia* and the province's *Improving Care for BC Seniors: An Action Plan*, highlights the importance of public education on issues affecting seniors. The BC Child and Youth Review recommended that the PGT participate with service partners in public education activities affecting children in care.

In 2011-2012, the PGT made public presentations at 71 meetings, conferences or other events. In 2012-2013 the target will increase to 65 presentations.

## PERFORMANCE DETAILS • GOAL 5: THE PGT WILL DELIVER HIGH QUALITY CLIENT CENTERED SERVICES.

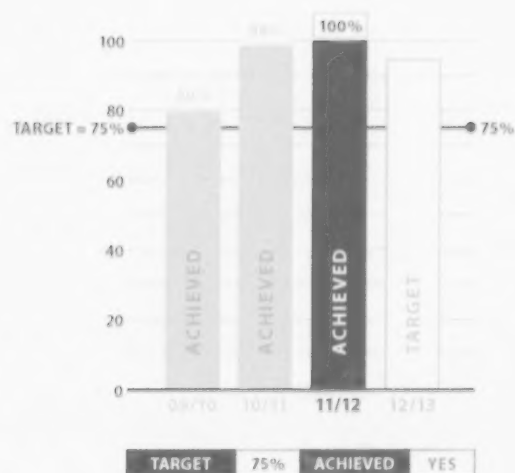


**OBJECTIVE 5.1** The PGT will meet client expectations for quality, equitable and accessible services.

### 5.1.1 Percentage of heirs and beneficiaries responding to survey who rated administration services for deceased estates as good or very good

The PGT administers estates of deceased persons. The Estate and Personal Trust Services division conducts a client satisfaction survey with heirs and beneficiaries who receive funds when administration of an estate is completed. This activity measures client satisfaction and gives heirs and beneficiaries the opportunity to comment on what is important to them regarding services. This activity also improves service delivery by highlighting areas needing improvement.

In 2011-2012, there were 198 completed surveys. Of these 190 (96%) beneficiaries who responded to the survey question rating estate administration services rated them as good or very good.



**OBJECTIVE 5.1** The PGT will meet client expectations for quality, equitable and accessible services.

### 5.1.2 Percentage of stakeholders reporting satisfaction with PGT legal services (stakeholder group varies annually)

Legal services are a major component of PGT services as the obligation of acting as fiduciary requires us to protect the legal and financial interests of clients.

The PGT reviews applications for appointment of a Private Committee. In 2011-2012, the PGT reviewed the satisfaction levels of lawyers who filed an application resulting in the appointment of a Private Committee.

In 2011-2012, 28 lawyers responded to the survey, of which 28 (100%) rated the legal services as satisfactory or very satisfactory.

## G. Linking Resources to Performance

### Linking Resources, Strategies and Results

#### Background

The PGT is responsible by law for delivering a broad range of services to clients and is self funded for a large proportion of its expenditure budget. In developing its annual budget, the PGT provides for meeting its statutory and fiduciary obligations to its clients. The PGT establishes strategic goals and determines performance measures and targets within the budgeted resources and constraints of a given year in the context of its three year plan.

The PGT delivers client services through a combination of activities that are specific to an operational division, integrated, cross divisional or are delivered in conjunction with service partners:

- *Operational divisions* focus on broad client groups such as children and youth, adults and estates of deceased persons and personal trusts. Costs are assigned directly to the divisions.
- Activities of operational divisions are supported by *integrated services* such as legal, investments, information systems, securing of client assets, warehousing, budgeting, facilities and executive support services. Costs for these integrated services are assigned across the organization using an allocation model developed to reflect approximate usage.
- Some services such as quality assurance and risk management are delivered in a *cross divisional* manner. Costs of cross divisional services are assigned directly through operational division budgets and indirectly through costs assigned through the allocation model.

- Services such as client real property management are delivered in conjunction with service partners and are charged directly to clients.

See pages 50 and 51 for the Allocation of Revenues and Expenses by Program – Budgeted and Actual [unaudited] for the year ended March 31, 2012.

Delivery of services and allocation of costs are reflected in Table 1: Areas of Expenditures and PGT Strategic Goals (unaudited) on page 46, describing which PGT goals apply to which area of expenditure. The table provides a context to put PGT areas of expenditure into perspective. The distribution also reflects the integrated and cross divisional nature of PGT operations.

#### Linkages

Client services fall into one of two categories of expenditures:

- *Estate and Trust Services* are those where the greatest impact from the service is on the management of individual client assets and this is reflected in the total or high level of cost recovery.
- *Public services* are those where the greatest impact from the service is in monitoring or oversight and the limited or nil cost recovery reflects the public nature of these services.

Table 1 [unaudited] demonstrates that most PGT goals apply broadly to most areas of expenditure and may involve both a number of programs and expenditures and a number of divisions.

#### Challenges

The challenge of segmenting expenditures is greatest at the broad goal level. It is a lesser challenge in the case of specific performance measures within each goal as these are more likely to apply to a single area of expenditure. However, the PGT considers that elaboration of budget particulars at the individual measure level is not possible as the work is too interrelated and spread throughout PGT activities.

For example, integrating a new adult client requires more than preparation of a new case plan. Assets must be secured, legal interests must be considered, real property may have to be sold, an investment plan may have to be developed and overdue taxes may have to be made current.

These complex linkages mean that although the areas of expenditure are linked with groups of strategic goals, the relationship between performance and outcomes and changes in costs may not be direct or immediate.

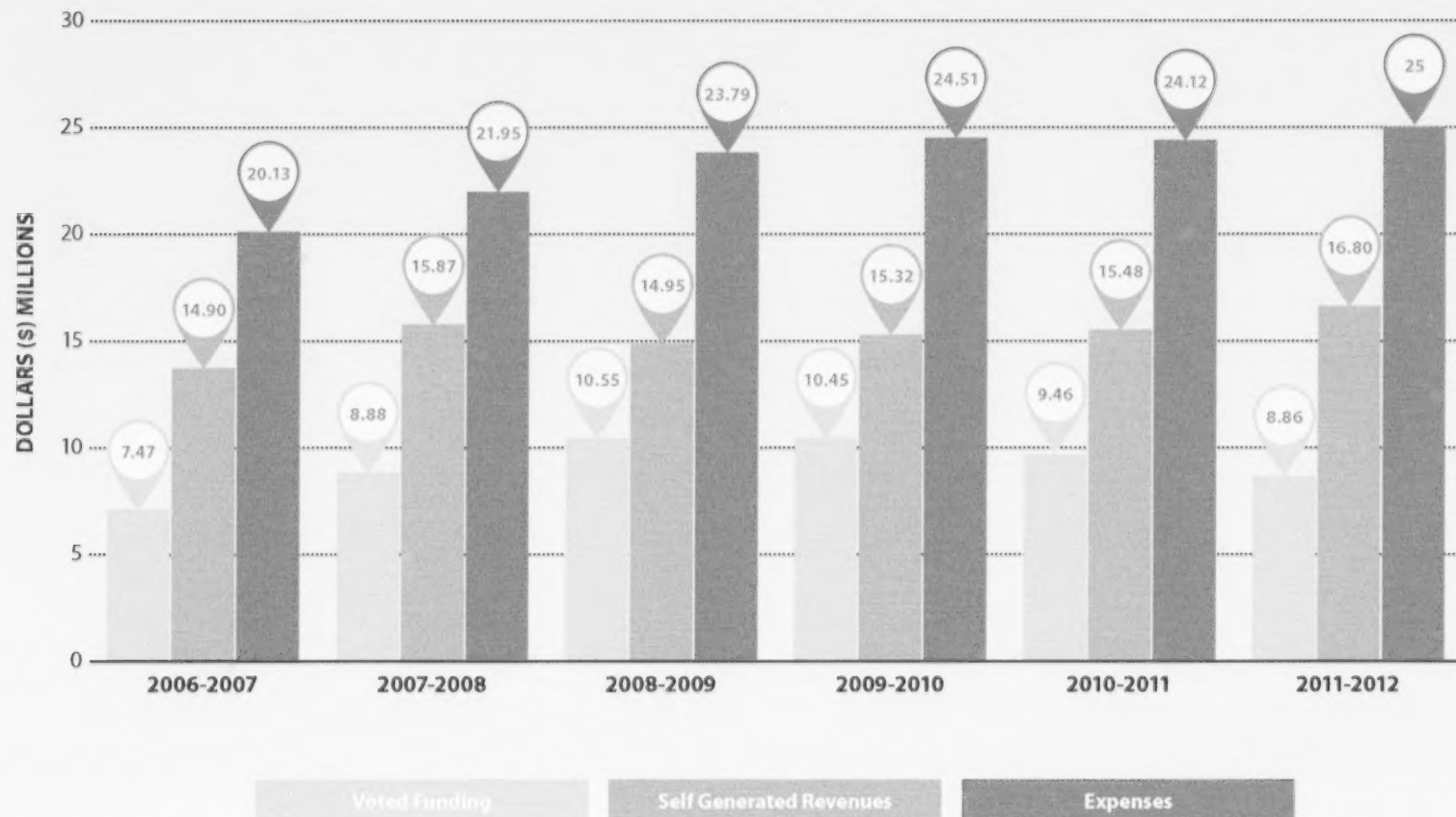
TABLE 1 • AREAS OF EXPENDITURE AND PGT STRATEGIC GOALS [UNAUDITED]\*

Area of Expenditure**	Strategic Goals Most Directly Affected	Context
<b>Estate and Trust Services</b>		
<p>Estate and trust services are the primary PGT responsibility and in 2011-2012 accounted for \$17.4M or 67% of total costs and produced \$15.5M or 92% of self generated revenue. Estate and trust services include the following:</p> <ul style="list-style-type: none"> <li>• Child and Youth Services – Trustee</li> <li>• Services to Adults – Client Services</li> <li>• Estate and Personal Trust Services</li> </ul>	<p><b>Goal #1</b> Property and financial interests of PGT clients will be well managed.</p> <p><b>Goal #2</b> Personal interests of PGT clients will be protected.</p> <p><b>Goal #4</b> The PGT will contribute to public awareness, policy development and law reform initiatives to promote the interests of PGT clients.</p> <p><b>Goal #5</b> The PGT will deliver high quality client centred services.</p>	<ul style="list-style-type: none"> <li>• PGT Estate and Personal Trust Services achieved cost recovery. The rate of recovery was 114% in 2011-2012 (103% in 2010-2011).</li> <li>• The PGT acts as a prudent investor in managing client funds with all client invested funds. These investment activities support Goal #1 by managing client property and financial interests. At March 31, 2012, the average cost per client for staff pay and benefits within the PGT Investment Services section was \$22.57 (\$23.46 at March 31, 2011).</li> </ul>
<b>Public Services</b>		
<p>Public services accounted for \$8.5M or 33% of total costs in 2011-2012 and produced \$1.3M or 8% of self generated revenue. Public services include the following which are identified by expenses and also by self generated revenues (in brackets):</p> <p>Child and Youth Services</p> <ul style="list-style-type: none"> <li>• Guardian of Estate \$2.33M (\$0.14M)</li> <li>• Infant Settlement Reviews \$1.80M (\$0.38M)</li> <li>• Notices Reviews \$0.80M (\$0.24M)</li> <li>• Other Miscellaneous \$0.11M (\$0.00M)</li> </ul> <p>Services to Adults</p> <ul style="list-style-type: none"> <li>• Assessment and Investigation \$0.91M (\$0.02M)</li> <li>• Health Care Decisions \$0.69M (\$0.00M)</li> <li>• Private Committee Services Reviews \$1.54M (\$0.47M)</li> <li>• Notices \$0.06M (\$0.06M)</li> <li>• Community Development \$0.12M (\$0.00M)</li> </ul> <p>Estate and Trust Personal Services</p> <ul style="list-style-type: none"> <li>• Public Inquiry \$0.10M (\$0.00M)</li> </ul>	<p><b>Goal #1</b> Property and financial interests of PGT clients will be well managed.</p> <p><b>Goal #2</b> Personal interests of PGT clients will be protected.</p> <p><b>Goal #3</b> Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner.</p> <p><b>Goal #4</b> The PGT will contribute to public awareness, policy development and law reform initiatives to promote the interests of PGT clients.</p> <p><b>Goal #5</b> The PGT will deliver high quality client centred services.</p>	<ul style="list-style-type: none"> <li>• Under the <i>Health Care (Consent) and Care Facility (Admission) Act</i>, PGT staff make substitute health care treatment decisions or appoint other suitable decision makers. This health care decision making activity supports Goal #2 by protecting personal interests of PGT clients. In 2011-2012, average unit cost was \$1,247 (\$1,277 in 2010-2011).</li> <li>• The <i>Estate Administration Act</i> (section 112) requires that the PGT be notified before application can be made to settle an estate involving interests of a child. These section 112 reviews support Goal #3 by delivering statutory protective services in a timely manner. In 2011-2012, cost per review was \$999 (\$681 in 2010-2011). The <i>PGT Fees Regulation</i> allows a fee of \$300 per notice for a review.</li> </ul>

\*All PGT expenditures are allocated into one of two categories according to the nature of the work, i.e., estate and trust services or public services. Goals may apply in both categories. Individual performance measures within a goal may relate more specifically to one area of expenditure than another. \*\*Total costs for the purposes of expenditure percentages are excluding external recoveries whereas total costs reported in the financial statements are net of external recoveries. This is a change in reporting from 2010-2011 to be consistent with the presentation of the PGT Service Delivery Plan and estimates approved by the Legislative Assembly of British Columbia.



TABLE 2 • PGT VOTED FUNDING, REVENUES AND EXPENSES, 2006-2007 - 2011-2012



Source: Financial Statements of the Public Guardian and Trustee of British Columbia Operating Account.

## 2. Revenue and Program Costs 2011-2012

### a. Introduction

The Public Guardian and Trustee (PGT) cost allocation model was developed to show revenues and costs in a meaningful way by linking resources to the costs of service provision.

The model continues to evolve in response to the changing environment in which the PGT operates.

Budgeted figures have been provided from the estimates approved by the Legislative Assembly of British Columbia on May 3, 2011.

Actual results are provided from the audited financial statements of the Public Guardian and Trustee Operating Account. The amounts may differ from the Public Accounts due to timing differences resulting from accruals and adjustments below the materiality threshold of the Province of British Columbia.

### b. Revenue Sources and Variances

#### i. Revenue Sources

Revenue is comprised of commissions, fees and recoveries charged to PGT estate and trust clients for services rendered, monitoring fees charged to other clients and funding received from the Province of British Columbia.

Commissions and fees are charged in accordance with the *Public Guardian and Trustee Fees Regulation*.

#### ii. Revenue Variances [unaudited] For the year ended March 31, 2012

(\$ in thousands)

Brackets in variance column indicate actual revenues in excess of budget.

	Budget	Actual	Variance	Note
<b>Revenues</b>				
<b>Self generated funding</b>				
Commissions	\$9,881	\$11,123	\$(1,242)	1
Asset management fees	3,075	3,404	(329)	2
Estate liaison administration fees	375	642	(267)	3
Estate and personal trust services heir tracing fees	135	102	33	
Fees including private committee, infant settlement, and applications to court	1,131	1,175	(44)	
Cost recoveries	168	352	(184)	4
<b>Voted funding</b>				
Funding from the Province of British Columbia	8,860	8,860	–	
<b>Total Revenues</b>	<b>\$23,625</b>	<b>\$25,658</b>	<b>\$(2,033)</b>	

#### iii. Explanatory Notes on Revenue Variances

1. The increase in commissions reflects an increased overall value of client assets and investments.
2. Net assets held in trust increased by approximately \$47M in 2011-2012 with a corresponding positive effect on the asset management fee revenue.
3. The number of estate liaison clients and the amount of overall asset values administered by PGT were higher in 2011-2012.
4. Deferred revenue of \$197K was recognized to recover costs pursuant to the claims protocol agreement related to a class action settlement.

## Expenses and Variances

### i. Expense Variances [unaudited] For the year ended March 31, 2012

(\$ in thousands)

*Brackets in variance column indicate actual expenses in excess of budget*

	Budget	Actual	Variance	Note
<b>Expenses</b>				
Salaries and benefits	\$18,959	\$18,786	\$ 173	1
Professional contracts	1,850	3,046	(1,196)	2
Building occupancy	185	74	111	3
Computer related	1,391	1,658	(267)	4
Other	1,347	1,671	(324)	5
Client expense (recoveries)	(107)	(234)	127	6
<b>Total Expenses</b>	<b>\$23,625</b>	<b>\$25,001</b>	<b>\$(1,376)</b>	

### ii. Explanatory Note on Expense Variances

1. Recruitment plans for one third of the new positions provided for the implementation of strengthened governance, compliance and control measures were delayed until final business process reviews were completed.
2. The variance in professional contracts resulted from increases in property management costs, external legal services and continued work on enhancing control processes during fiscal 2011-2012.
3. Tenant improvements at 808 West Hastings Street in Vancouver were not completed as expected by March 31, 2012.
4. The variance in computer related costs resulted from a refresh of computer workstations and the continued effort as part of the PGT commitment to strengthen internal controls.
5. The variance in other expenses resulted from base pressures in office expenses, increases in client related costs and minor purchases for space improvements.
6. Recoveries for legal costs were almost double the budgeted amount in 2011-2012 which contributed to the positive variance.

Public Guardian and Trustee of British Columbia  
Allocation of Revenues and Expenditures by Program - Budget [unaudited]  
Fiscal year ended March 31, 2012

(expressed in thousands of dollars)

	Estate and Trust Services				Public Services				Totals
	Services to Adults	Estate and Personal Trust Services	Child and Youth Services	Subtotal	Services to Adults	Estate and Personal Trust Services	Child and Youth Services	Subtotal	
<b>Revenues</b>									
<b>Self Generated Funding</b>									
Commissions	6,121	2,819	799	9,739	0	0	142	142	9,881
Asset management fees	1,750	620	668	3,038	0	0	37	37	3,075
Estate liaison administration fees	375	0	0	375	0	0	0	0	375
Estate and personal trust services heir tracing fees	0	135	0	135	0	0	0	0	135
Private committee review fees	0	0	0	0	536	0	0	536	536
Infant settlement review fees	0	0	0	0	0	0	421	421	421
Applications to Court	0	0	0	0	35	0	139	174	174
Cost recoveries	105	62	1	168	0	0	0	0	168
	8,351	3,636	1,468	13,455	571	0	739	1,310	14,765
<b>Funding from other sources</b>									
Voted funding									8,860
External Recoveries									450
<b>Total Revenues</b>									24,075
<b>Expenses</b>									
Salaries and benefits	7,918	3,015	1,369	12,302	2,600	100	3,957	6,657	18,959
Professional contracts	807	175	119	1,101	251	0	498	749	1,850
Building occupancy	77	31	13	121	25	0	39	64	185
Computer related	386	136	518	1,040	129	0	222	351	1,391
Other	477	166	187	830	215	0	302	517	1,347
Client expenses	191	97	36	324	3	0	16	19	343
<b>Total expenses</b>	9,856	3,620	2,242	15,718	3,223	100	5,034	8,357	24,075
	(1,505)	16	(774)	(2,263)	(2,652)	(100)	(4,295)	(7,047)	
<b>Excess of Revenues over Expenses</b>									\$ -

Source: Public Guardian and Trustee of British Columbia Service Delivery Plan April 1, 2011 - March 31, 2014



Public Guardian and Trustee of British Columbia  
Allocation of Revenues and Expenditures by Program - Actual (unaudited)  
Fiscal year ended March 31, 2012

(Expressed in thousands of dollars)

	Estate and Trust Services				Public Services				Totals
	Services to Adults	Estate and Personal Trust Services	Child and Youth Services	Subtotal	Services to Adults	Estate and Personal Trust Services	Child and Youth Services	Subtotal	
<b>Revenues</b>									
<b>Self Generated Funding</b>									
Commissions	6,437	3,534	1,044	11,015	0	0	108	108	11,123
Asset management fees	1,990	687	698	3,375	0	0	29	29	3,404
Estate liaison administration fees	642	0	0	642	0	0	0	0	642
Estate and personal trust services heir tracing fees	0	102	0	102	0	0	0	0	102
Private committee review fees	0	0	0	0	470	0	0	470	470
Infant settlement review fees	0	0	0	0	0	0	378	378	378
Applications to Court	0	4	0	4	83	0	240	323	327
Cost recoveries	292	60	0	352	0	0	0	0	352
	9,361	4,387	1,742	15,490	553	0	755	1,308	16,798
<b>Funding from other sources</b>									
Voted funding									8,860
External Recoveries									867
<b>Total Revenues</b>									26,525
<b>Expenses</b>									
Salaries and benefits	8,313	2,977	1,300	12,590	2,534	99	3,563	6,196	18,786
Professional contracts	1,469	227	204	1,900	336	0	810	1,146	3,046
Building occupancy	33	12	5	50	10	0	14	24	74
Computer related	396	153	634	1,183	182	0	293	475	1,658
Other	664	216	197	1,077	254	0	340	594	1,671
Client expenses	313	267	29	609	4	0	20	24	633
<b>Total expenses</b>	11,188	3,852	2,369	17,409	3,320	99	5,040	8,459	25,868
	(1,827)	535	(627)	(1,919)	(2,767)	(99)	(4,285)	(7,151)	
<b>Excess of Revenues over Expenses</b>									\$ 657

Source: Audited Financial Statements of the Public Guardian and Trustee of British Columbia Operating Account. External recoveries are excluded from total expenses reported in this table to be consistent with the PGT Service Delivery Plan.





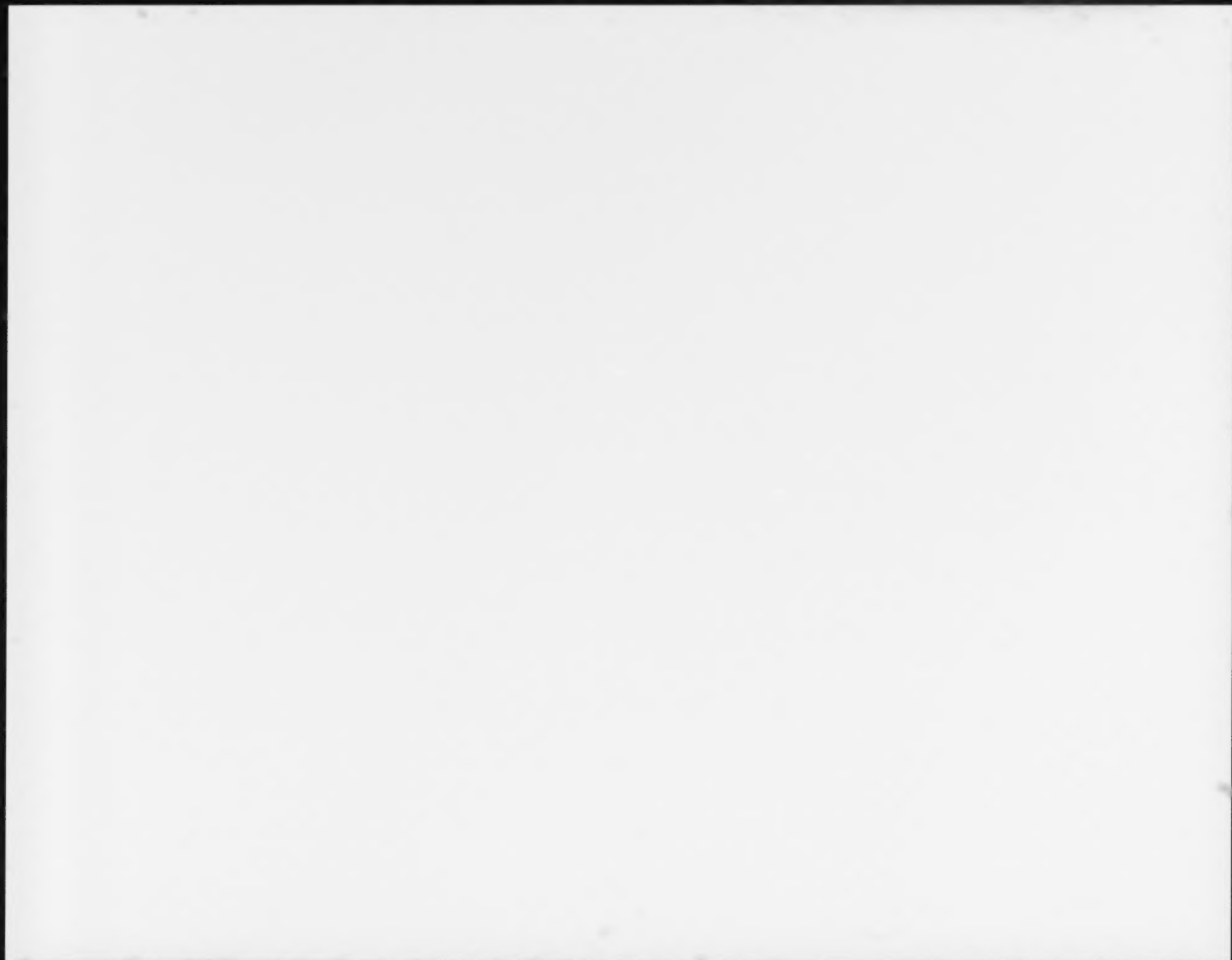
# 2011 | 2012 Audited Financial Statements

## Operating Account

### Estates and Trusts Administered



PUBLIC GUARDIAN  
AND TRUSTEE OF  
BRITISH COLUMBIA





Financial Statements of

**PUBLIC GUARDIAN AND TRUSTEE OF  
BRITISH COLUMBIA**

Operating Account

Year ended March 31, 2012

## **MANAGEMENT'S STATEMENT OF RESPONSIBILITIES FOR THE OPERATING ACCOUNT FINANCIAL STATEMENTS OF THE PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**

Management is responsible for preparing the accompanying financial statements and is responsible for their integrity and objectivity. The financial statements are prepared in conformity with Canadian public sector accounting standards and include amounts based on informed judgments and estimates of the expected effects of current events and transactions.

Management is also responsible for maintaining systems of internal control that provide reasonable assurance that financial information is reliable, that all financial transactions are properly authorized, that assets are safeguarded, and that the Public Guardian and Trustee of British Columbia adheres to legislation and regulatory requirements. These systems include the communication of policies and the Public Guardian and Trustee of British Columbia's code of ethics and business conduct throughout the organization. Management continually monitors the systems of internal controls for compliance.

KPMG LLP has been appointed by the Public Guardian and Trustee of British Columbia as independent auditors to examine and report on the financial statements and their report follows.

Catherine Romanko  
Public Guardian and Trustee

June 27, 2012



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## INDEPENDENT AUDITORS' REPORT

To the Public Guardian and Trustee

We have audited the accompanying financial statements of the Operating Account of the Public Guardian and Trustee of British Columbia, which comprise the statement of financial position as at March 31, 2012 and the statements of operations and accumulated surplus, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of an entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Public Guardian and Trustee of British Columbia as at March 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

Chartered Accountants

June 27, 2012  
Vancouver, Canada



# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Statement of Financial Position  
(Expressed in thousands of dollars)

March 31, 2012, with comparative figures for 2011

	Note	2012	2011
<b>Financial assets</b>			
Accounts receivable		\$ 774	\$ 752
Due from the Province of British Columbia	3(a)	24,892	23,950
		25,666	24,702
<b>Financial liabilities</b>			
Accounts payable and accrued liabilities		1,089	975
Deferred revenue		564	381
		1,653	1,356
<b>Net financial assets</b>		24,013	23,346
<b>Non-financial assets</b>			
Tangible capital assets	4	1,051	1,061
<b>Accumulated surplus</b>		\$ 25,064	\$ 24,407
Contingent liabilities	5		

The accompanying notes are an integral part of these financial statements.

Catherine Romanko  
Public Guardian and Trustee

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

## Operating Account

Statement of Operations and Accumulated Surplus  
(Expressed in thousands of dollars)

Year ended March 31, 2012, with comparative figures for 2011

	Note	2012 Budget (Unaudited - note 6)	2012	2011
Revenue:				
Operating revenue		\$ 14,765	\$ 16,798	\$ 15,477
Funding from the Province of British Columbia	3(b)	8,860	8,860	9,462
		23,625	25,658	24,939
Expenses:	3(c)			
Salaries and benefits	7	18,959	18,786	18,111
Computer systems and support		1,391	1,658	1,915
Other operating and administrative costs		803	1,240	975
Legal services		692	916	1,006
Client expenditures		615	909	788
Professional services		347	876	703
Amortization		633	542	570
Building occupancy	3(d)	185	74	49
		23,625	25,001	24,117
Annual surplus		-	657	822
Accumulated surplus, beginning of year		24,407	24,407	23,585
Accumulated surplus, end of year		\$ 24,407	\$ 25,064	\$ 24,407

The accompanying notes are an integral part of these financial statements.

# **PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**

## **Operating Account**

### **Statement of Changes in Net Financial Assets**

(Expressed in thousands of dollars)

Year ended March 31, 2012, with comparative figures for 2011

	2012 Budget (Unaudited - note 6)	2012	2011
Annual surplus	\$ -	\$ 657	\$ 822
Net acquisition of tangible capital assets	(499)	(532)	(459)
Amortization of tangible capital assets	633	542	570
Increase in net financial assets	134	667	933
Net financial assets, beginning of the year	23,346	23,346	22,413
Net financial assets, end of the year	\$ 23,480	\$ 24,013	\$ 23,346

The accompanying notes are an integral part of these financial statements.

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

### Operating Account

Statement of Cash Flows (note 3(a))

(Expressed in thousands of dollars)

Year ended March 31, 2012, with comparative figures for 2011

	2012	2011
Due from the Province of British Columbia increased by:		
Operating activities:		
Annual surplus	\$ 657	\$ 822
Items not affecting cash:		
Amortization	542	570
Change in non-cash operating items	275	215
	1,474	1,607
Capital activities:		
Acquisition of tangible capital assets	(532)	(459)
Increase in due from the Province of British Columbia	942	1,148
Due from the Province of British Columbia, beginning of year	23,950	22,802
Due from the Province of British Columbia, end of year	\$ 24,892	\$ 23,950

The accompanying notes are an integral part of these financial statements.

# **PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**

Operating Account

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2012

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## **1. Reporting entity:**

The Public Guardian and Trustee of British Columbia (the "PGT") Operating Account ("Operating Account") operates under the authority of the Public Guardian and Trustee Act (the "Act"). The Operating Account is not liable for taxation, except insofar as the government is liable. The Operating Account was established as a Special Account in the general fund of the consolidated revenue fund of the Province of British Columbia.

Spending from revenue in excess of the budget approved by the Province of British Columbia or from the Operating Account Balance requires Treasury Board approval.

The Operating Account reports the revenues earned from the services provided to clients of the PGT and the operating and capital expenditures relating to the provision of these services. Clients are adults who are not capable of managing their own affairs, deceased persons' estates which have no other person willing and able to act for them, estates of missing persons, and children in receipt of settlement funds, insurance policy proceeds or money from estates.

Separate financial information has been prepared as of March 31, 2012 for client trust accounts, which include \$878 million (2011 - \$831 million) of net assets held in trust.

## **2. Significant accounting policies:**

### **(a) Basis of accounting:**

Management has prepared these financial statements in accordance with Canadian public sector accounting standards.

### **(b) Tangible capital assets:**

Tangible capital assets are recorded at cost and are amortized on a straight-line basis over their estimated useful lives. Computer hardware and software purchases less than ten thousand dollars are amortized over three years. All remaining assets are amortized over five years.



# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

## Operating Account

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2012

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### 2. Significant accounting policies (continued):

(c) Revenue recognition:

Operating revenues consist of commissions and fees paid by trust clients in accordance with the *Public Guardian and Trustee Fees Regulation* as provided for under the Act. Commissions and fees are recognized in the period in which the service is provided or at the point in time directed by regulation, court order, co-trustees or beneficiaries. Funding from the Province of British Columbia is recognized as revenue when received, unless the funding contains stipulations on how it is to be expended by the PGT, in which case the funding is recorded as deferred revenue. Once the stipulations have been met, the funding is subsequently recognized as revenue.

(d) Client expenditures:

Client expenditures represent amounts paid for clients' property management, advances to clients and other miscellaneous expenditures made on behalf of clients. Legal expenditures paid on behalf of clients are reported under legal services.

(e) Employee benefit plans:

All eligible employees participate in a multi-employer defined benefit pension plan. Defined contribution plan accounting has been applied to the Plan as the PGT has insufficient information to apply defined benefit plan accounting. Accordingly, the PGT's contributions are expensed in the year in which the services are rendered and represent its total pension obligation.

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions in determining reported amounts. The only significant area requiring the use of management estimates is the estimation of the collectability of accounts receivable. Actual results could differ from these estimates.

(g) Segmented information:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information. As the Operating Account's sole activity is the managing of services provided to clients of the PGT, additional disclosure is not required.

(h) Comparative figures:

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

## Operating Account

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2012

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### 3. Related party transactions:

The PGT is a corporation sole. All transactions with related parties, including the Province of British Columbia ministries, agencies and Crown corporations occurred in the normal course of operations and are valued at the exchange amount, which reflects fair value unless otherwise disclosed in these notes.

- (a) The PGT uses the Province of British Columbia's financial and banking systems to process and record its transactions. The amount due from the Province of British Columbia represents the net financial transactions of the Operating Account.
- (b) A transfer of \$8,860 (2011 - \$9,462) from a sub-vote of the Ministry of Justice and Attorney General has been provided for services to incapable adults, children and youth and for other expenditures of the PGT.
- (c) Certain financial and administrative services; post-employment benefits; and office and warehouse facilities, are provided centrally by various ministries and agencies of the government of the Province of British Columbia. The costs of these services are not charged to the Operating Account and are therefore not included in these financial statements.
- (d) Additional office and warehouse facilities provided by various ministries and agencies of the government of the Province of British Columbia and minor service requests leased subsequent to March 31, 2010 are charged to the Operating Account. Total lease payments for temporary space in the Vancouver office and minor service requests were \$74 (2011 - \$49).

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

## Operating Account

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2012

### 4. Tangible capital assets:

	2011								Net book value	Net book value
	Cost beginning of year	Additions for the year	Disposals for the year	Cost end of year	Amortization beginning of year	Disposals	Additional expense	Amortization end of year	end of year	beginning of year
Operating equipment	\$ 72	\$ -	\$ -	\$ 72	\$ (25)	\$ -	\$ (14)	\$ (39)	\$ 33	\$ 47
Furniture and equipment	244	39	-	283	(78)	-	(52)	(130)	153	166
Personal computer software	200	3	(52)	151	(118)	52	(34)	(100)	51	82
Computer hardware - less than \$10,000	533	38	-	571	(403)	-	(80)	(483)	88	130
Server computer software	2,813	350	-	3,163	(2,212)	-	(349)	(2,561)	602	601
Computer hardware - greater than \$10,000	433	29	(246)	216	(406)	246	(11)	(171)	45	27
Tenant improvement	704	-	-	704	(585)	-	(30)	(615)	89	119
Total	\$ 4,999	\$ 459	\$ (298)	\$ 5,160	\$ (3,827)	\$ 298	\$ (570)	\$ (4,099)	\$ 1,061	\$ 1,172

	2012								Net book value	Net book value
	Cost beginning of year	Additions for the year	Disposals for the year	Cost end of year	Amortization beginning of year	Disposals	Additional expense	Amortization end of year	end of year	beginning of year
Operating equipment	\$ 72	\$ 2	\$ -	\$ 74	\$ (39)	\$ -	\$ (14)	\$ (53)	\$ 21	\$ 33
Furniture and equipment	283	97	(4)	376	(130)	4	(55)	(181)	195	153
Personal computer software	151	13	(33)	131	(100)	33	(33)	(100)	31	51
Computer hardware - less than \$10,000	571	53	(20)	604	(483)	20	(65)	(528)	76	88
Server computer software	3,163	367	(790)	2,740	(2,561)	790	(334)	(2,105)	635	602
Computer hardware - greater than \$10,000	216	-	(64)	152	(171)	64	(11)	(118)	34	45
Tenant improvement	704	-	-	704	(615)	-	(30)	(645)	59	89
Total	\$ 5,160	\$ 532	\$ (911)	\$ 4,781	\$ (4,099)	\$ 911	\$ (542)	\$ (3,730)	\$ 1,051	\$ 1,061

Cost includes fully amortized assets that are still in use of \$1,908 (2011 - \$1,986).

# **PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**

## **Operating Account**

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2012

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### **5. Contingent liabilities:**

From time to time, the Public Guardian and Trustee is a defendant in legal actions in carrying out its duties. Under Section 21 of the Act, monies required to discharge any liability or claim against the PGT must be paid out of the consolidated revenue fund of the Province of British Columbia.

### **6. Budgeted figures:**

Unaudited budgeted figures have been provided for comparative purposes from the estimates approved by the Legislative Assembly of British Columbia on May 3, 2011.

### **7. Employee benefit plans:**

The PGT and all eligible employees contribute to the Public Service Pension Plan, a multi-employer, defined benefit, and joint trusteeship plan, established for certain British Columbia public service employees. The British Columbia Pension Corporation administers the Plan, including payments of pension benefits to eligible employees. A board of trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of assets and administration of benefits.

The Plan is contributory, and its basic benefits are based on years of service and average earnings at retirement. Under joint trusteeship, the risks and rewards associated with the Plan's unfunded liability or surplus are shared between the employers and the Plan members and will be reflected in their future contributions.

Every three years an actuarial valuation is performed to assess the financial position of the pension plan and the adequacy of the funding. The last actuarial valuation as at March 31, 2008 reported a surplus. The results of the latest actuarial valuation completed on March 31, 2011 will be available in the fall of 2012.

Pension expense for 2012 included in salaries and benefits expense was \$ 1,335 (2011 - \$1,347).

### **8. Fair value:**

The fair value of the Operating Account's financial instruments, which include due from the Province of British Columbia, accounts receivable, and accounts payable and accrued liabilities are not materially different from their carrying value due to their short-term nature.

Financial Information of

**PUBLIC GUARDIAN AND TRUSTEE OF  
BRITISH COLUMBIA**

Estates and Trusts Administered

Year ended March 31, 2012



## **MANAGEMENT'S STATEMENT OF RESPONSIBILITIES FOR THE FINANCIAL INFORMATION OF ESTATES AND TRUSTS ADMINISTERED BY THE PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**

Management is responsible for preparing the accompanying financial information and is responsible for its integrity and objectivity. The financial information is prepared in conformity with International Financial Reporting Standards and includes amounts based on informed judgments and estimates of the expected effects of current events and transactions.

Management is also responsible for maintaining systems of internal control that provide reasonable assurance that financial information is reliable, that all financial transactions are properly authorized, that assets are safeguarded, and that the Public Guardian and Trustee of British Columbia adheres to legislation and regulatory requirements. These systems include the communication of policies and the Public Guardian and Trustee of British Columbia's code of ethics and business conduct throughout the organization. Management continually monitors the systems of internal controls for compliance.

KPMG LLP has been appointed by the Public Guardian and Trustee of British Columbia as independent auditors to examine and report on the financial information and their report follows.

Catherine M. Romanko  
Public Guardian and Trustee

June 27, 2012



**KPMG LLP**  
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## INDEPENDENT AUDITORS' REPORT

To the Public Guardian and Trustee of British Columbia

We have audited the accompanying financial information of the Estates and Trusts Administered by the Public Guardian and Trustee of British Columbia, which comprise the statement of net assets as at March 31, 2012 and the statements of income and expenses, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Information*

Management is responsible for the preparation and fair presentation of this financial information in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on this financial information based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to an entity's preparation and fair presentation of the financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of an entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



*Opinion*

In our opinion, the financial information presents fairly, in all material respects, the net assets of the Estates and Trusts Administered by the Public Guardian and Trustee of British Columbia as at March 31, 2012 and their income and expenses, changes in net assets and cash flows for the year then ended in accordance with International Financial Reporting Standards.

*KPMG LLP*

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Chartered Accountants

June 27, 2012  
Vancouver, Canada

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Statement of Net Assets of Estates and Trusts Administered  
(Expressed in thousands of dollars)

	Note	March 31, 2012	March 31, 2011
<b>Assets</b>			
Premium Money Market Fund	5	\$ 493,689	\$ 476,095
Balanced Income Fund	6	28,638	27,949
Balanced Growth Fund	7	72,124	65,905
Other investments and securities	8	115,012	114,916
Other financial assets	9	10,945	10,114
Real property	10	185,792	157,464
Other assets		7,761	7,331
		913,961	859,774
<b>Liabilities</b>			
Accounts payable		11,508	5,662
Mortgages and loans payable		23,499	22,558
Payable to the Public Guardian and Trustee Operating Account	11(b)	673	670
		35,680	28,890
<b>Net Assets of Estates and Trusts Administered</b>		<b>\$ 878,281</b>	<b>\$ 830,884</b>

The accompanying notes are an integral part of this financial information.

Catherine M. Romanko, Public Guardian and Trustee

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Statement of Income and Expenses of Estates and Trusts Administered  
(Expressed in thousands of dollars)

Year ended March 31, 2012

	Note	Premium Money Market Fund	Balanced Income Fund	Balanced Growth Fund	Other investments and securities	Real property	2012 Total	2011 Total
<b>Income:</b>								
Pensions, benefits and settlements		\$ 82,140	\$ -	\$ -	\$ -	\$ -	\$ 82,140	\$ 84,051
Interest and dividends		8,777	644	1,920	2,408	-	13,749	13,446
		90,917	644	1,920	2,408	-	95,889	97,497
<b>Expenses:</b>								
Client care and maintenance	11(a)	58,756	-	-	-	-	58,756	56,233
Commissions and fees paid to the Public								
Guardian and Trustee Operating Account	11(b)	17,069	158	382	-	-	17,609	15,658
Professional services	11(c)	8,320	63	147	297	-	8,827	7,993
Income taxes paid from Estates and Trusts Administered		3,185	-	-	4	-	3,189	1,589
		87,330	221	529	301	-	88,381	81,473
Net income before realized and unrealized gains/losses		3,587	423	1,391	2,107	-	7,508	16,024
<b>Realized and unrealized gains/losses:</b>								
Net realized gains on assets sold or released		-	569	693	1,587	3,020	5,869	2,870
Change in unrealized gains/losses		1,680	246	(230)	240	16,539	18,477	14,876
		1,680	817	463	1,827	19,559	24,346	17,746
Net income, representing total comprehensive income		\$ 5,267	\$ 1,240	\$ 1,854	\$ 3,934	\$ 19,559	\$ 31,854	\$ 33,770

The accompanying notes are an integral part of this financial information.



# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Statement of Changes in Net Assets of Estates and Trusts Administered  
(Expressed in thousands of dollars)

	Note	Premium Money Market Fund	Balanced Income Fund	Balanced Growth Fund	Other investments and securities	Other financial assets	Real property	Other assets less liabilities	Total
<b>Balance at March 31, 2010</b>		<b>\$ 472,103</b>	<b>\$ 23,384</b>	<b>\$ 62,682</b>	<b>\$ 102,158</b>	<b>\$ 11,811</b>	<b>\$ 129,735</b>	<b>\$ (15,377)</b>	<b>\$ 786,496</b>
Net income, representing comprehensive income for the year		11,464	1,665	5,306	8,219	-	7,116	-	33,770
Other changes in net assets of Estates and Trusts Administered:									
Assets acquired		-	-	-	32,365	34,078	73,287	-	139,730
Assets purchased from Estates and Trusts Administered		(1,671)	-	-	-	-	1,158	-	(513)
Assets sold or collected		-	-	-	(20,950)	(33,667)	(37,812)	-	(92,429)
Net proceeds from sale or collection of assets		90,592	-	-	-	(521)	-	-	90,071
Transfers between assets		(3,072)	2,900	(2,083)	2,255	-	-	-	-
Assets released to clients, beneficiaries and heirs		-	-	-	(9,131)	(1,587)	(16,020)	-	(26,738)
Cash distributions to clients, beneficiaries and heirs		(92,052)	-	-	-	-	-	-	(92,052)
Unclaimed assets transferred to the British Columbia Unclaimed Property Society	12	(1,269)	-	-	-	-	-	-	(1,269)
Movement in other assets less liabilities		-	-	-	-	-	-	(6,182)	(6,182)
<b>Total changes in net assets of Estates and Trusts Administered</b>		<b>3,992</b>	<b>4,565</b>	<b>3,223</b>	<b>12,758</b>	<b>(1,697)</b>	<b>27,729</b>	<b>(6,182)</b>	<b>44,388</b>
<b>Balance at March 31, 2011</b>		<b>\$ 476,096</b>	<b>\$ 27,949</b>	<b>\$ 65,905</b>	<b>\$ 114,916</b>	<b>\$ 10,114</b>	<b>\$ 157,464</b>	<b>\$ (21,559)</b>	<b>\$ 830,884</b>
Net income, representing comprehensive income for the year		5,267	1,240	1,854	3,934	-	19,559	-	31,854
Other changes in net assets of Estates and Trusts Administered:									
Assets acquired		-	-	-	39,893	38,137	73,497	-	151,527
Assets purchased from Estates and Trusts Administered		(1,167)	-	-	-	-	644	-	(523)
Assets sold or collected		-	-	-	(27,841)	(35,612)	(45,195)	-	(108,648)
Net proceeds from sale or collection of assets		106,265	-	-	-	(79)	-	-	106,186
Transfers between assets		291	(551)	4,365	(4,105)	-	-	-	-
Assets released to clients, beneficiaries and heirs		-	-	-	(11,785)	(1,615)	(20,177)	-	(33,577)
Cash distributions to clients, beneficiaries and heirs		(91,261)	-	-	-	-	-	-	(91,261)
Unclaimed assets transferred to the British Columbia Unclaimed Property Society	12	(1,801)	-	-	-	-	-	-	(1,801)
Movement in other assets less liabilities		-	-	-	-	-	-	(6,360)	(6,360)
<b>Total changes in net assets of Estates and Trusts Administered</b>		<b>17,594</b>	<b>689</b>	<b>6,219</b>	<b>96</b>	<b>831</b>	<b>28,328</b>	<b>(6,360)</b>	<b>47,397</b>
<b>Balance at March 31, 2012</b>		<b>\$ 493,689</b>	<b>\$ 28,638</b>	<b>\$ 72,124</b>	<b>\$ 115,012</b>	<b>\$ 10,945</b>	<b>\$ 185,792</b>	<b>\$ (27,919)</b>	<b>\$ 878,281</b>

The accompanying notes are an integral part of this financial information.

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Statement of Cash Flows of Estates and Trusts Administered (note 3(d))  
(Expressed in thousands of dollars)

Year ended March 31, 2012

	Note	2012	2011
Cash provided by (used in):			
Operating activities:			
Income:			
Pensions, benefits and settlements		\$ 82,140	\$ 84,051
Interest and dividends		9,409	9,063
Expenses:			
Client care and maintenance		(58,756)	(56,233)
Commissions and fees paid to the Public Guardian and Trustee Operating Account		(17,069)	(15,067)
Professional services		(8,320)	(7,541)
Income taxes paid from Estates and Trusts Administered		(3,185)	(1,580)
		4,219	12,693
Investing activities:			
Contributions to Balanced Income Fund		(2,687)	(4,786)
Withdrawals from Balanced Income Fund		3,238	1,885
Contributions to Balanced Growth Fund		(13,513)	(5,385)
Withdrawals from Balanced Growth Fund		9,148	7,468
Contributions to other investments and securities		(1,156)	(7,787)
Withdrawals from other investments and securities		4,629	4,788
Purchases of real property		(644)	(1,158)
Purchases of other assets		(523)	(513)
Net proceeds from sale of assets		70,653	56,926
		69,145	51,438
Financing activities:			
Proceeds from collection of assets		35,612	33,667
Distributions to clients, beneficiaries and heirs		(91,261)	(92,052)
Transfers of unclaimed assets		(1,801)	(1,269)
		(57,450)	(59,654)
Increase in cash and cash equivalents		15,914	4,477
Increase (decrease) in unrealized gain on Premium Money Market Fund		1,680	(485)
Premium Money Market Fund, representing cash and cash equivalents, beginning of year	3(d)	476,095	472,103
Premium Money Market Fund, representing cash and cash equivalents, end of year	3(d)	\$ 493,689	\$ 476,095

The accompanying notes are an integral part of these financial statements.

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Notes to Financial Information of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2012

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### 1. Reporting entity:

The Public Guardian and Trustee of British Columbia (the "PGT") operates under the *Public Guardian and Trustee Act* (the "Act") and other provincial statutes to uphold the legal rights and safeguard the financial interests of adults who are not capable of managing their own affairs, deceased persons' estates which have no other person willing and able to act for them, estates of missing persons and children in receipt of settlement funds, insurance policy proceeds or money from estates.

This set of financial information reflects the net assets held in trust and activity for the estates and trusts administered by the PGT. Separate financial statements have been prepared for the PGT Operating Account, which report the revenues, expenses and capital expenditures of the PGT.

### 2. Basis of preparation:

#### (a) Statement of compliance:

This financial information has been prepared in accordance with the principles of International Financial Reporting Standards ("IFRS").

This financial information meets the requirements of Section 25 of the Act.

#### (b) Basis of measurement:

The financial information has been prepared on the historical cost basis except for the Premium Money Market Fund, Balanced Income Fund, Balanced Growth Fund, other investments and securities, real property, and amounts receivable included in other financial assets, which are carried at fair value.

#### (c) Functional and presentational currency:

The financial information is presented in Canadian dollars, which is the functional currency for the PGT.

#### (d) Use of estimates and judgments:

The preparation of this financial information in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets, liabilities, income and expenses. Significant areas of estimation include the valuation of investments and real property. Actual values ultimately realized may differ from these estimates and are recognized in the period in which the estimates are revised and in any future periods affected.

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Notes to Financial Information of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2012

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### 3. Summary of significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in this financial information.

#### (a) Recognition and valuation of assets and liabilities:

On initial recognition, assets and liabilities are recorded at fair value on the effective date the PGT commences administration of the asset or liability, which is the date of death for estate administration, the date of PGT appointment for trust administration or the date that the estate or trust assumed beneficial ownership for assets and liabilities acquired after PGT appointment.

The Premium Money Market Fund ("PMMF"), Balanced Income Fund ("BIF"), Balanced Growth Fund ("BGF") and other investments and securities are carried at fair value as determined from valuation data provided by investment service providers.

Amounts receivable included in other financial assets are carried at fair value.

Other assets include jewellery, collectibles, intangibles, vehicles and effects and are carried at cost, which represents the estimated fair value of the asset on the effective date that the PGT commenced administration of the asset.

All financial liabilities are carried at amortized cost.

#### (b) Valuation of real property:

IFRS requires that, in the absence of an IFRS that can be specifically applied to a situation, management should use judgment in developing and applying an accounting policy to provide relevant, reliable and prudent information. In these instances, it is suggested that IFRS requirements in dealing with similar issues are applied, as well as measurement concepts included within the IFRS Framework.

Real property included within the statement of net assets primarily represents the value of residential properties, currently occupied by the clients of the PGT. This property does not meet the definition of property, plant and equipment, nor investment property, although the acceptable measurement bases for such assets include both cost and fair value.

Accordingly, real property is carried at fair value in the statement of net assets as determined by professional appraisals or, where an appraisal is not available or is not current, as determined from the most recent British Columbia Assessment Authority property assessment or other relevant valuation data.

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Notes to Financial Information of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2012

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### 3. Summary of significant accounting policies (continued):

#### (c) Revenue recognition:

Income from pensions, benefits and settlements, as well as interest and dividends is recognized on an accrual basis.

Gains and losses on assets represent the appreciation or depreciation in the value of assets administered by the PGT from the value assigned on the date of appointment of the client (if acquired on appointment) or date of purchase (if purchased for clients after appointment). Such gains and losses become realized on the date the assets are sold or released to clients, beneficiaries and heirs. Both realized gains/losses and changes in unrealized gains/losses are reported in the statement of income and expenses.

#### (d) Cash and cash equivalents:

The PMMF is used for day-to-day receipts and disbursements for all clients. Investments held by the PMMF are highly liquid and may be easily drawn upon by the PGT in administering the estates and trusts. Cash held in individual external client bank accounts, included in other financial assets (note 9), is not classified as cash and cash equivalents.

### 4. Financial risk management:

As a fiduciary, the PGT is responsible for managing the assets owned by each estate and trust under its authority. The PGT must exercise the care, skill, diligence and judgment of a prudent investor for its clients.

Under Section 12 of the Act, the PGT is permitted to create common funds within the trust fund account. The PGT has established three common funds called the PMMF, the BIF and the BGF. The PMMF holds short and medium term fixed income investments and is used for day to day receipts and disbursements of all clients. The BIF and the BGF hold investments which are appropriate for clients with longer term investment horizons.

Under Section 13(1) of the Act, the PGT is permitted to make separate investments for clients if the money is subject to an express trust or direction for investment or it is, for any other reason, in the best interests of the client to do so. Other investments and securities include separate investment portfolios and registered plans which are established or maintained for clients according to their investment profile.

The three common funds are managed by British Columbia Investment Management Corporation ("bcIMC"). Other investments are managed by private investment management firms.



## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Notes to Financial Information of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2012

### 4. Financial risk management (continued):

The PGT maintains a risk management practice that includes quarterly monitoring of the returns and risk profile of the three common funds and annual monitoring for other client investment portfolios. PGT corporate investment policies assign the investment asset mix strategies for client trusts based on client risk tolerance. Four investment portfolio asset mix models are used and client investment portfolios are allocated amongst the three common funds as follows:

Asset Mix	Fixed Income	Equity	Investment portfolio allocation
Model A	40%	60%	Balanced Growth Fund
Model B	60%	40%	Balanced Income Fund
Model C	80%	20%	Blend of Balanced Income Fund and Premium Money Market Fund
Model D	100%	0%	Premium Money Market Fund

Assets in "other investments and securities" represent individual client accounts and each is managed in accordance with the above target asset mix policies.

PGT client investments are exposed to a variety of financial risks: liquidity risk, credit risk, and market risk (comprised of interest rate risk, currency risk and other price risk). The fair value of investments can fluctuate on a daily basis as a result of these risk exposures.

#### *Liquidity risk:*

Liquidity risk is the risk that a client account is unable to meet its financial obligations as they come due. PGT minimizes this risk by ensuring that client accounts hold sufficient cash funds to meet current liabilities and expenses and considers liquidity risk at March 31, 2012 and March 31, 2011 to be insignificant.

#### *Credit risk:*

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment it has entered into, resulting in a financial loss. The investment policy established by the PGT limits credit risk by limiting the maximum exposure to one single issuer and by investing only in debt securities from governments and corporations with a minimum rating of at least "BBB" or "R-1" as defined by Moody's, Standard & Poor's or Dominion Bond Rating Service. The funds' compliance with policy asset mix and investment guidelines is reviewed quarterly by management and the PGT Investment Advisory Committee.

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Notes to Financial Information of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2012

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### 4. Financial risk management (continued):

#### *Interest rate risk:*

Interest rate risk is the risk that the fair value or cash flows of interest bearing investments will fluctuate due to changes in market interest rates. Interest rate risk is managed by PGT through established asset mix policies.

#### *Currency risk:*

Currency risk is the risk that the fair value of investments will change due to changes in foreign exchange rates. Currency risk is managed by PGT through established asset mix policies.

#### *Other price risk:*

Other price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Other price risk is managed by PGT through established asset mix policies.

### 5. Premium Money Market Fund:

The strategic investment policy for the PMMF requires that the bond securities held must be "A low" rated or better and all short term money market instruments held must be "R-1" rated or better. The target asset mix for the PMMF is 35% Canadian government guaranteed bonds with a maximum term to maturity of 5 years and 65% government and corporate money market securities with a maximum term of 15 months.

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Notes to Financial Information of Estates and Trusts Administered

(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2012

### 5. Premium Money Market Fund (continued):

#### *Credit risk:*

The amount recorded for the PMMF on the statement of net assets held in trust represents the maximum credit risk associated with the PMMF. The PMMF is comprised of cash and debt instruments with credit ratings as follows:

	2012		2011	
	Amount	%	Amount	%
Segregated bonds:				
AAA	\$ 50,683	10%	\$ 59,790	13%
AA	65,354	13	64,279	13
A	54,961	11	41,731	9
	170,998	34	165,800	35
Money market:				
R-1 or better	318,989	65	306,102	64
Cash	3,702	1	4,193	1
	322,691	66	310,295	65
	\$ 493,689	100%	\$ 476,095	100%

#### *Interest rate risk:*

Debt instruments held within the PMMF mature on the following basis:

	2012	2011
Cash	\$ 3,702	\$ 4,193
Debt instruments:		
Less than one year	366,782	314,638
One to three years	78,592	74,545
Three years to five years	44,613	82,719
	\$ 493,689	\$ 476,095

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Notes to Financial Information of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2012

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### 5. Premium Money Market Fund (continued):

As at March 31, 2012, if interest rates were to increase or decrease by 1%, with other variables held constant, the fair value of the PMMF, and accordingly, net assets, would have increased or decreased, respectively, by approximately \$4.8 million (2011 - \$5.3 million).

#### *Currency risk:*

As at March 31, 2012, the PMMF is not exposed to currency risk as all PMMF securities are denominated in Canadian dollars (2011 - nil).

#### *Other price risk:*

As at March 31, 2012, the PMMF is not exposed to other price risk as all PMMF securities are fixed income instruments (2011 - nil).

### 6. Balanced Income Fund:

The BIF is a unitized fund of funds pool of investments. The investment objective is to enhance returns for investors with a low to moderate level of risk by investing in a well-diversified portfolio. The investment policy target asset mix is 60% fixed income securities, rated "BBB" or better for bonds or "R-1" or better for money market securities, and 40% domestic and international equities, invested through indexed pooled funds.

#### *Credit risk and interest rate risk:*

The BIF's maximum exposure to credit risk as at March 31, 2012 is \$17.4 million (2011 - 17.0 million), representing the amount of debt instruments within the BIF at March 31, 2012. The BIF's investment policy guidelines require that debt instruments are rated BBB or R-1 or better and have a duration within 20% of the DEX Universe Bond Index.

The BIF is exposed to interest rate risk on that portion of its portfolio invested in fixed income securities. As at March 31, 2012 if interest rates were to increase or decrease by 1%, with all other variables held constant, the fair value of the BIF, and accordingly net assets, would have increased or decreased, respectively, by approximately \$1.0 million (2011 - \$0.8 million).

#### *Currency risk:*

The BIF's maximum exposure to currency risk at March 31, 2012 is \$8.6 million (2011 - \$7.8 million), representing the amount of international equity investments within the BIF at March 31, 2012, of which \$4.4 million (2011 - \$3.9 million), is exposed to US dollars and \$4.2 million (2011 - \$3.9 million) is exposed to other international currencies.

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Notes to Financial Information of Estates and Trusts Administered

(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2012

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### 6. Balanced Income Fund (continued):

#### *Currency risk (continued):*

As at March 31, 2012, if the Canadian dollar had strengthened or weakened by 1% in relation to all currencies, with all other variables held constant, the fair value of the BIF, and accordingly net assets held in trust, would have decreased or increased, respectively, by approximately \$0.2 million (2011 - \$0.2 million).

#### *Other price risk:*

The BIF's maximum exposure to other price risk as at March 31, 2012 is \$12.0 million (2011 - \$11.2 million), representing the amount of equity instruments within the BIF at March 31, 2012. As the BIF uses an indexed pooled and portfolio strategy, the BIF's net asset values will vary based on changes in the related market index benchmarks. The impact on the BIF due to a 1% change in benchmark, using historical correlation between the return of the BIF units as compared to the BIF's benchmark, as at March 31, 2012, with all other variables held constant, would be an increase or decrease to the fair value of the BIF, and accordingly net assets, of \$1.2 million (2011 - \$1.2 million).

### 7. Balanced Growth Fund:

The BGF is a unitized fund of funds pool of investments. The investment objective of the BGF is to enhance long-term returns for investors with a moderate to high level of risk by investing in a well-diversified portfolio. The investment policy target asset mix is 40% fixed income securities, rated "BBB" or better for bonds or "R-1" or better for money market securities and 60% domestic and international equities, invested through indexed pooled funds.

#### *Credit risk and interest rate risk:*

The BGF's maximum exposure to credit risk as at March 31, 2012 is \$29.7 million (2011 - \$26.3 million), representing the amount of debt instruments within the BGF at March 31, 2012. The BGF's investment policy guidelines require that debt instruments are rated BBB or R-1 or better and have a duration within 20% of the DEX Universe Bond Index.

The BGF is exposed to interest rate risk on that portion of its portfolio invested in fixed income securities. As at March 31, 2012, if the interest rates were to increase or decrease by 1%, with all other variables held constant, the fair value of the BGF, and accordingly net assets, would have increased or decreased by approximately \$1.7 million (2011 - \$1.5 million).



## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Notes to Financial Information of Estates and Trusts Administered

(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2012

### 7. Balanced Growth Fund (continued):

#### *Currency risk:*

The BGF's maximum exposure to currency risk at March 31, 2012 is \$30.0 million, (2011 - \$26.7 million), representing the amount of international equity investments within the BGF at March 31, 2012, of which \$15.2 million (2011 - \$13.6 million) is exposed to US dollars and \$14.8 million (2011 - \$13.1 million) is exposed to other international currencies.

As at March 31, 2012, if the Canadian dollar had strengthened or weakened by 1% in relation to all currencies, with all other variables held constant, the fair value of the BGF, and accordingly net assets, would have decreased or increased, respectively, by approximately \$0.6 million (2011 - \$0.5 million).

#### *Other price risk:*

The BGF's maximum exposure to other price risk as at March 31, 2012 is \$43.9 million (2011 - \$41.0 million), representing the amount of equity instruments within the BGF at March 31, 2012. As the BGF uses an indexed pooled fund portfolio strategy, the BGF's net asset values will vary based on changes in the related market index benchmarks. The impact on the BGF due to a 1% change in benchmark, using historical correlation between the return of the BGF units as compared to the BGF's benchmark, as at March 31, 2012, with all other variables held constant, would be an increase or decrease to the fair value of the BGF, and accordingly net assets, of \$4.4 million (2011 - \$4.1 million).

### 8. Other investments and securities:

Other investments and securities are comprised of the following:

	2012	2011
Investment portfolios	\$ 61,028	\$ 62,224
Registered plans	23,310	20,540
Other	30,674	32,152
	<u>\$ 115,012</u>	<u>\$ 114,916</u>

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Notes to Financial Information of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2012

### 8. Other investments and securities (continued):

The balance of other investments and securities is comprised of numerous individual client accounts, each managed in accordance with specific target asset mix policies. Each individual client account is exposed to credit, interest rate, currency and other price risks based on individual asset mix and holdings. In management's opinion, aggregation and presentation of these individual risk exposures and fair value hierarchy measurements (note 13) would not provide additional meaningful information.

### 9. Other financial assets:

Other financial assets are comprised of the following:

	2012	2011
Cash in external client bank accounts	\$ 5,662	\$ 4,444
Amounts receivable	5,283	5,670
	<u>\$ 10,945</u>	<u>\$ 10,114</u>

External client bank accounts are bank accounts in the name of individual clients that were held at the time that the PGT commenced administration of the assets and that remain open as at the financial reporting date. The collection of cash from these external client bank accounts to the PMMF is classified as proceeds from collection of assets on the statement of cash flows. In management's opinion, aggregation on and presentation of the fair value hierarchy measurement (note 13) of all external client bank accounts would not provide additional meaningful information to the user of this financial information.

### 10. Real property:

Real property includes land, buildings and manufactured homes. As at March 31, 2012, approximately 98% (2011 - 98%) of the fair value of real properties represents properties located in British Columbia.

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Notes to Financial Information of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2012

### 11. Expenses:

#### (a) Client care and maintenance:

Client care and maintenance represents goods and services purchased for clients and for personal living expenses, including payments to care facilities.

#### (b) Commissions and fees paid to the Public Guardian Trustee Operating Account:

Commissions and fees are paid on behalf of clients, for services provided by the PGT in accordance with the Public Guardian and Trustee Fees Regulation as provided for under the Act.

Amount payable to the PGT Operating Account is comprised of the following:

	2012	2011
Total amount payable to PGT Operating Account	\$ 735	\$ 701
Less: payables reflected in fair value of funds:		
Balanced Income Fund	(10)	(9)
Balanced Growth Fund	(52)	(22)
	\$ 673	\$ 670

#### (c) Professional fees:

Professional fees are payments on behalf of clients for services such as accounting, legal, investment management, custodial, funeral and property management.

### 12. Unclaimed assets transferred to the British Columbia Unclaimed Property Society:

Unclaimed assets are transferred quarterly to the British Columbia Unclaimed Property Society when they are deemed inactive by the PGT under Section 27.1 of the Act.

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Notes to Financial Information of Estates and Trusts Administered

(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2012

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### 13. Fair values:

The PMMF, BIF, BGF, other investments and securities and other financial assets are reflected in the statement of net assets at fair value. In management's opinion, the fair values of other financial assets and accounts payable, mortgages and loans payable, and amounts payable to the PGT Operating Account are not materially different from the carrying value.

#### *Fair Value Hierarchy:*

The three levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted prices in active markets for identical assets or liabilities that the PGT has the ability of accrue at the measurement date.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets with insufficient volume or infrequent transactions (less active markets), or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data for substantially the full term of the assets or liabilities.

Level 3 - Inputs that are unobservable: there is little, if any, market activity. Inputs into the determination of fair value require significant management judgment or estimation.

As at March 31, 2012 and March 31, 2011, the PMMF, BIF and BGF investments were fair valued using level 2 inputs. For each of the years ending March 31, 2012 and 2011, there were no significant transfers between Level 1 and Level 2.







## **VISION**

Rights, choices and security for all British Columbians.

## **MISSION**

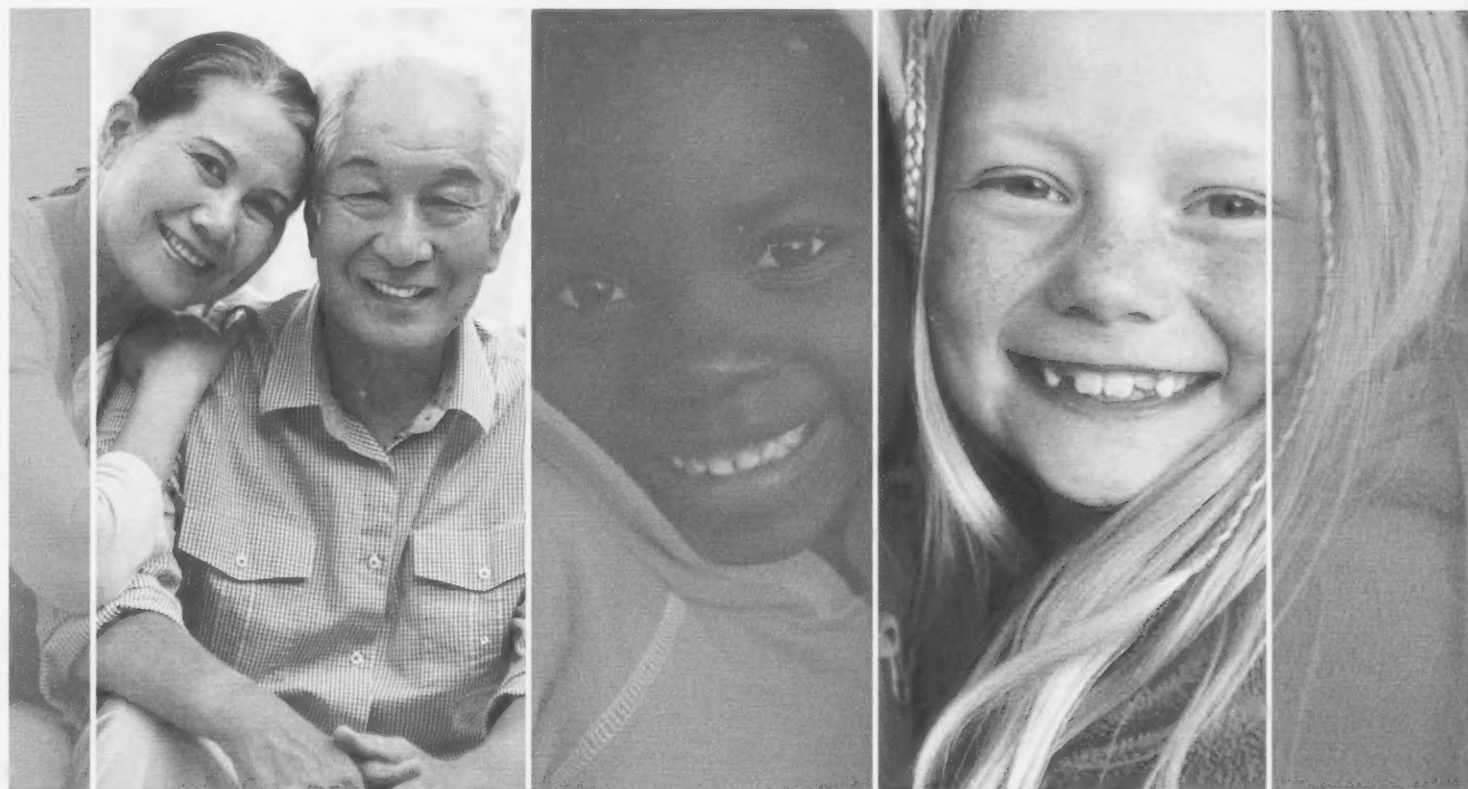
The Public Guardian and Trustee is appointed to safeguard and uphold the legal and financial interests of children; manage the legal, financial and personal care interests of adults needing assistance in decision making; and administer the estates of deceased and missing persons.

Proudly serving British Columbians since 1963



PUBLIC GUARDIAN  
AND TRUSTEE OF  
BRITISH COLUMBIA

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